



**RS Software.**  
Preparing for the  
cardless-cashless  
economy

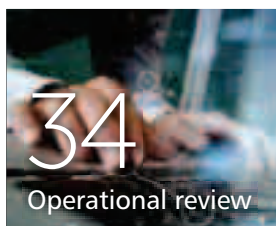
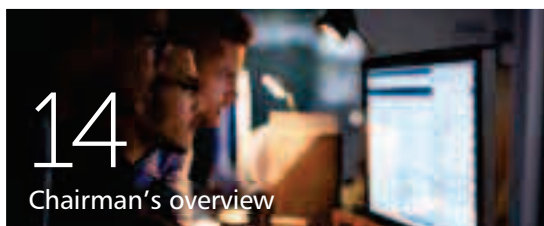
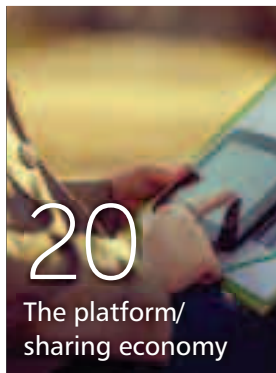
## FORWARD-LOOKING STATEMENT

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## Contents

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<b>04</b> Thematic pillars	<b>54</b> Business drivers
<b>14</b> Chairman's overview	<b>59</b> Managing business risks
<b>20</b> The platform/sharing economy	<b>60</b> Profile of Board of Directors
<b>30</b> Business strengths	<b>62</b> Profile of Key Executives
<b>34</b> Operational review	<b>66</b> Notice
<b>38</b> Our core competence	<b>74</b> Directors' report
<b>40</b> The Indian opportunities	<b>117</b> Financial statement

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"There is a tide in the affairs of men.  
Which, taken at the flood, leads on to fortune."  
*Shakespeare*





You visit 'malls' without stepping out.

You take a taxi ride and don't pay.

You carry no cash in your pocket but consider yourself rich.

You visit a 'store' that promises to find you the best at the lowest – instead of vice versa.

Your palm is not more than a few square inches but it carries the 'world' in it.

Welcome to the world of 3D printing, machine learning, block chain, drones, high-speed connectivity, robotics, artificial limbs, private sector space travel, autonomous vehicles and intelligent agents ...

As a digital payments solutions provider,  
RS Software is an integral part of this world.

So what's new?

Some of the technologies that you read about on the previous page have been in development for decades.

What is new is computing capacity.  
Larger. Faster.

Computing capacity  
has reached an  
inflection point.

Triggering disruptions  
across diverse  
domains.

Kickstarting sweeping  
innovation.

Transforming our  
world.

*Benefiting companies  
like RS Software.*

Only 33% of the

**30**

(USD trillion) in annual  
global spend at merchants  
is through a payment card.

# The ocean of a cardless-cashless opportunity

In 1990, electronic payments accounted for 16% of US personal consumer expenditure. In 2015, electronic payments accounted for 66% of US personal consumer expenditure.

RS Software was at the right place at the right time when it began to work in the area of payments in 1992.

The Company helped build the electronic payment infrastructure of the world's largest payment network, enhancing its capacity from authorizing 500 transactions per second in 1992 to 56,000 transactions per second today.

The Company is ready to take another leap of faith. To facilitate digital commerce through digital payments – and transform the world.

More than 97 billion consumer electronic payment transactions are made in the US alone (globally 160 billion transactions). Translating into USD 5.7 trillion in total volume.

Only 33% of the USD 30 trillion in annual global spend at merchants is through a payment card. The number is increasing rapidly, driven by central banks calling for financial inclusion and faster payments. Some 100 countries are engaged in building and enhancing their payment infrastructure, creating a wider market for payment-focused companies like RS Software.

There is only one sentence to describe this reality: an ocean of opportunity lies ahead.

The US is a market-driven economy with the largest Point of Sale infrastructure in the world - ~8+ million point of sale machines in place. Since payment by cards represents the dominant part of the electronic payment volumes, cards are likely to remain a major instrument for several years.

However, even as India has the lowest per capita Point of Sale infrastructure, it has nearly 1 billion mobile phones.

The verdict: countries like India and others in Asia are likely to lead the cardless-cashless revolution.

# The Asia factor

Until now, the global economy was largely driven by United States and Europe, representing 12% of the global population but 46% of total consumer spending.

**T**he big game-changer in the global electronic payments sector is going to be Asia.

Accounting for 60% of the world's population. Accounting for 25% of the world's GDP growth. And accounting for a growing per cent of the world's consumer spending.

As Asia increases its spending, aspiration and lifestyle standards, the continent could emerge as the driver of the electronic payments industry.

The fundamentals are in place. Even as China's population was 3x the United States, its total consumer spending was only a fifth of the United States.

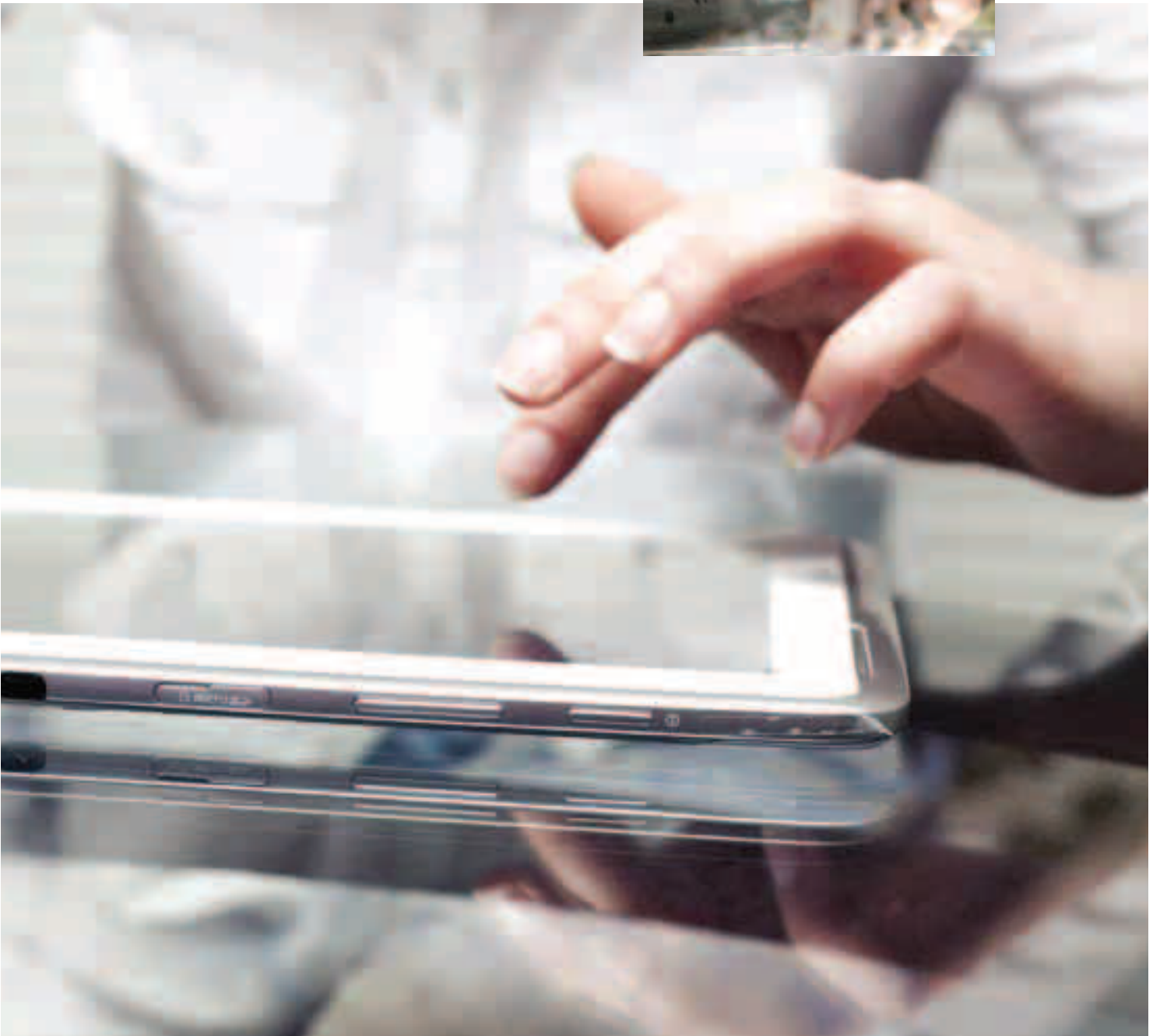
But there is change in the air. China grew electronic transactions more than 30% last year, which was higher than in the developed west. This phenomenon was driven by increased consumer spending through cards, e-commerce, burgeoning middle-class and global acceptance of China Union Pay cards (estimated 4.2 billion cards worldwide, more than MasterCard and Visa).

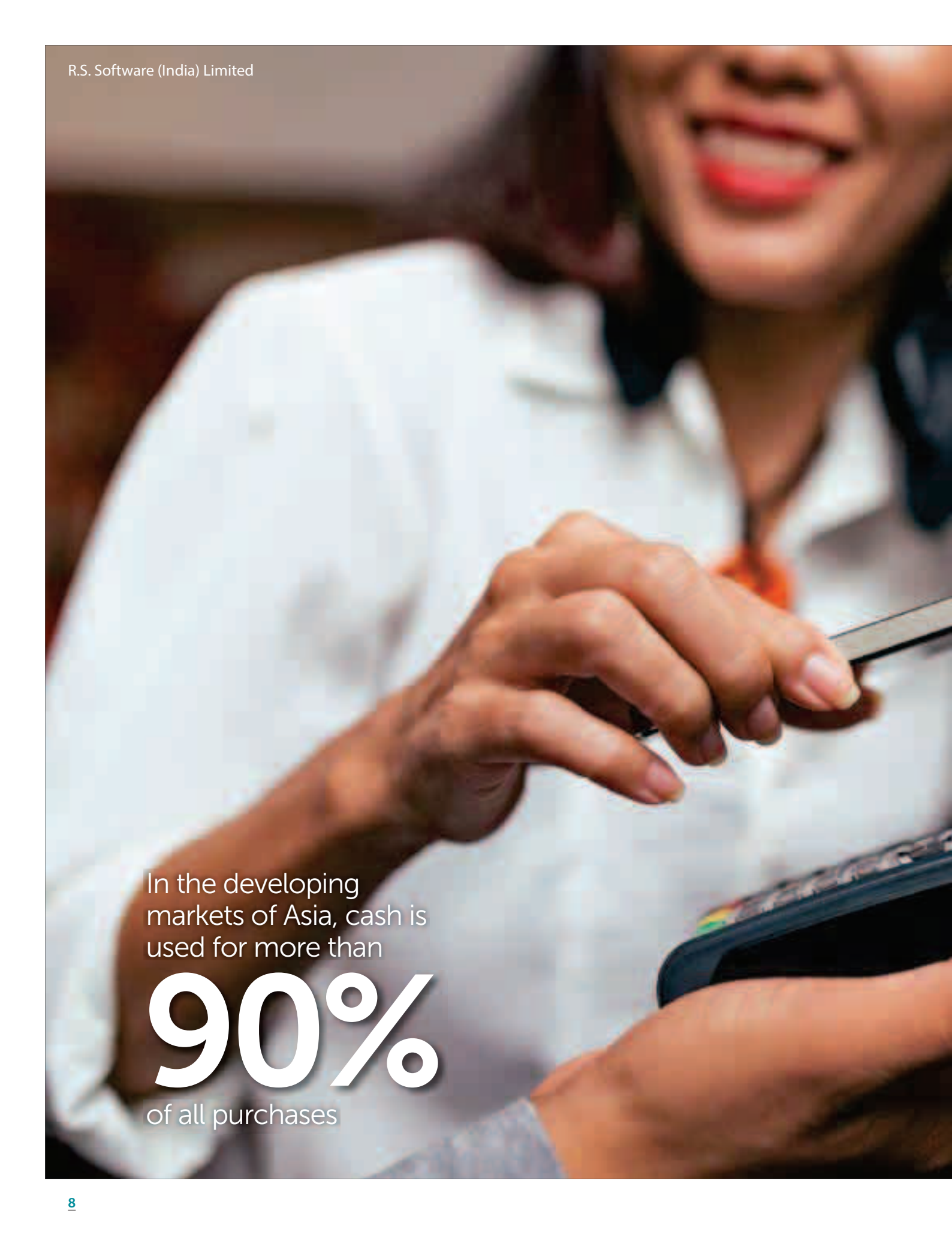
*RS Software is at the right place at the right time with the right focused domain knowledge to generate multi-year growth.*





As Asia increases its spending, aspiration and lifestyle standards, the continent could emerge as the driver of the electronic payments industry.



A close-up photograph of a woman with dark hair, wearing a white button-down shirt, smiling as she uses a card payment terminal. Her hands are visible, holding a card and interacting with the device. The background is blurred, suggesting an indoor setting.

In the developing  
markets of Asia, cash is  
used for more than

**90%**

of all purchases

## A global mobile payment infrastructure revolution from your neighbourhood

The surprise is not when you wish to pay for an airline ticket and find it convenient to pay by credit card. The surprise is when the neighbourhood grocer asks you, 'Card of cash?'

**W**hat makes analysts wildly optimistic of this trend is the rate at which this trend is spreading coupled with the vastness of the market waiting to be converted.

In the developing markets of Asia, cash is used for more than 90% of all purchases, making developing markets ripe for mobile point of sale development and electronic payments.

There is considerable optimism building up from the pace of change.

The number of mobile point of sale terminals is expected to increase from 4.5 million in 2011 to 38 million worldwide by 2017. (Source: Timetric)

The result is that retailers could generate about

USD 50 billion in mobile payments, increasing to USD 143 billion by 2019. (Source: Forrester)

This growth could be catalysed by new payment introductions. For instance, the introduction of Apple Pay (including use of rivals Google Wallet and Softcard) catalysed mobile use. Retailer Walgreens reported that since Apple Pay's debut, the use of mobile payments doubled across its locations; Whole Foods claimed to have processed over 150,000 Apple Pay transactions in the first month of acceptance across its stores (Source: Forrester)

*RS Software is building for India the mobile payment infrastructure to make this transformation a reality.*

China-based  
Alipay noted that

**54%**

of its transactions were  
from mobile devices, versus  
22% in the previous year

## Riding the mobile revolution

The biggest driver of the electronic payments industry is the fact that world is virtually accessible in each one's palm today.



68% Kenyans used their mobile phone to pay bills; 86% of all mobile phone users in Kenya use mobile money



Entire populations that were previously without phones or Internet connectivity have jumped an entire technology generation – from no landlines to the use of mobile phones.

The result is that first-time mobile connectivity can be a powerful electronic payments catalyst. Recently, China-based Alipay noted that 54% of its transactions were from mobile devices, versus 22% in the previous year; interestingly, remote areas like Tibet (mobile represented 62% of its transactions) outpacing affluent cities like Beijing (mobile represented 29% of its city's transactions).

This transpires because mobile growth in some Tibetan cities increased 600 times over the previous year,

strengthening the conviction that untapped rural areas are ideally placed to convert to mobile-driven electronic payments.

This is not an isolated instance. World Bank indicates that 78% of all Kenyans have at least one mobile phone in their household; 68% Kenyans used their mobile phone to pay bills; 86% of all mobile phone users in Kenya use mobile money despite the country's ranking 145<sup>th</sup> out of 186 in the global Human Development Index ranking.

Suddenly, a new perspective is emerging. Electronic payments are evolving from a conventional understanding that this would result after a society had acquired economic well-being; the reality is that electronic payments are now being perceived as

concurrent to economic deprivation and possibly even as a precursor to economic transformation.

In turn, electronic payments ride an even more fundamental reality: total Household Consumption Expenditure. This grew at a CAGR of 6.3% over the last 25 years. (Source: World Bank) Even if we believe that 5-6% growth over the next decade is reasonable, the global shift from paper-based payment (cash and checks) to electronic forms (cards and mobile) could average 1-2% a year.

However, we believe that growth will be quicker - long-term secular growth rate in payments of 6-8% - for a number of reasons: consumers' growing preference for electronic payment forms, increasing number of merchants accepting electronic payments and governments encouraging electronic forms of payments to curb unaccounted wealth.

So what do we have on the table? An inflection point that converges demographics, technologies and cultural changes translating into a powerful payments disruption the world over.

*RS Software is perched at a seminal moment in building the next generation digital payment systems.*

# The fin-tech opportunity

At RS Software, we believe that the financial technology space offers among the largest sectoral opportunities for companies of its kind.



Non-bank digital entrants can transform the customer experience, which in turn can redefine the payments landscape.

Retail banking digitization will extend beyond consumer payments and retail banking to similar service levels in transaction banking.

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Financial technology companies are offering faster ways of doing the things banks have done for decades.

The McKinsey report identifies four disruptions that can potentially alter the payments landscape.

One, non-bank digital entrants can transform the customer experience, which in turn can redefine the payments landscape. While generally smaller and younger entrants have not been perceived as a threat, the nature of new companies, the growing use of smartphones and evolving customer expectations could make it necessary for banks to transform their operating models.

Two, there is a modernization of domestic payments infrastructure, costly at the system and bank levels as banks seek to build products and services that address a growing cashlessness.

Three, cross-border payment inefficiencies are opening doors for new players, who address transaction costs, opacity, tracking and slow processing tenures.

Four, retail banking digitization will extend beyond consumer payments and retail banking to similar service levels in transaction banking.

Which means that the electronic payments story is only getting bigger and better.

*RS Software is attractively placed to capitalize on this industry development.*

CHAIRMAN'S OVERVIEW

# How RS Software stands at an inflection point in its existence

“If you want to build a ship, don't drum up the men  
To gather wood, divide the work and give orders,  
Instead, teach them to yearn for the vast and endless  
sea.” Antoine de Saint-Exupery

**A**spiration and vision impregnated with hope, structure and systems represent the pillars of the foundation of emerging digital payments world.

We believe that a fundamental measure of our success will be the shareholder value we create into the long-term. This value will be a direct result of our ability to strengthen our niche leadership. With more than two decades of experience in retail payments and the only company that has worked globally with the world's largest payment network for more than 20 years, RS Software enjoys a payment knowledge moat at the heart of its execution competence. At RS Software, our goal is to unlock the value of what we already possess: the ability to see things differently, coupled with the heart to inspire our people, and achieve our vision of enabling friction-less payments for the emerging digital economy.

The opportunity to accelerate the building of payment infrastructure and transform legacy technologies to facilitate digital payments has never been higher. This is the reason why the global investor community is placing informed bets on this space.

This space represents a fundamental part of our strategy and our need to transition to a new business model across the next 24 months.

At RS Software, our purpose is to help enhance the economic circumstances of individuals, communities and countries through the transformative power of electronic payments.

We will make bold, rather than timid, investment decisions where we see a sufficient probability of gaining market leadership. We possess an attractive track record in bold decisions: in 1991, RS Software was the first company to bring IBM 390 technology to India, which emerged as the lead technology to build India's global IT services leadership. In 2004, RS Software emerged as the first company to focus exclusively on the electronic payments domain, which now holds the key to rapid sustainable growth.

Because we emphasize the long-term, we may make decisions and weigh trade-offs differently than some companies. The highest risk for our company was the revenue dominance of one client, which we eliminated during the financial year under review. We are now ready to leverage the

The opportunity to accelerate the building of payment infrastructure and transform legacy technologies to facilitate digital payments has never been higher

From 1990 to 2015, electronic payments transitioned from a mere

**16%**  
of US personal consumer expenditure to  
**66%**  
in 2015



evolutionary growth of the digital economy, bringing with it a revolution in the adoption of electronic payments. Accordingly, we share with you our strategic direction, so that you, our shareholders, may confirm that it is indeed consistent with your investment objective.

According to McKinsey, India's IT industry revenues six-folded between 2004 and 2014; RS Software achieved similar progress. The Indian IT industry is likely to grow from the present USD 130 billion to USD 350 billion in 10 years, which really represents the power of positive compression – a larger quantum of growth in a smaller period of time.

At RS Software, we are optimistic of mirroring this growth, especially in the light of our reinvented business model.

### Payments industry in transition; RS Software building pathways to newer opportunities

From 1990 to 2015, electronic payments transitioned from a mere 16% of US personal consumer expenditure to 66% in 2015.

RS Software started working with payments in 1992 and participated in

the building of the electronic payment infrastructure that helped the world's largest payment network enhance its capacity from authorizing 500 transactions per second in 1992 to 56,000 transactions per second today.

The Company's tried and tested business model continues to transform the way humanity transacts commerce, and is an integral part

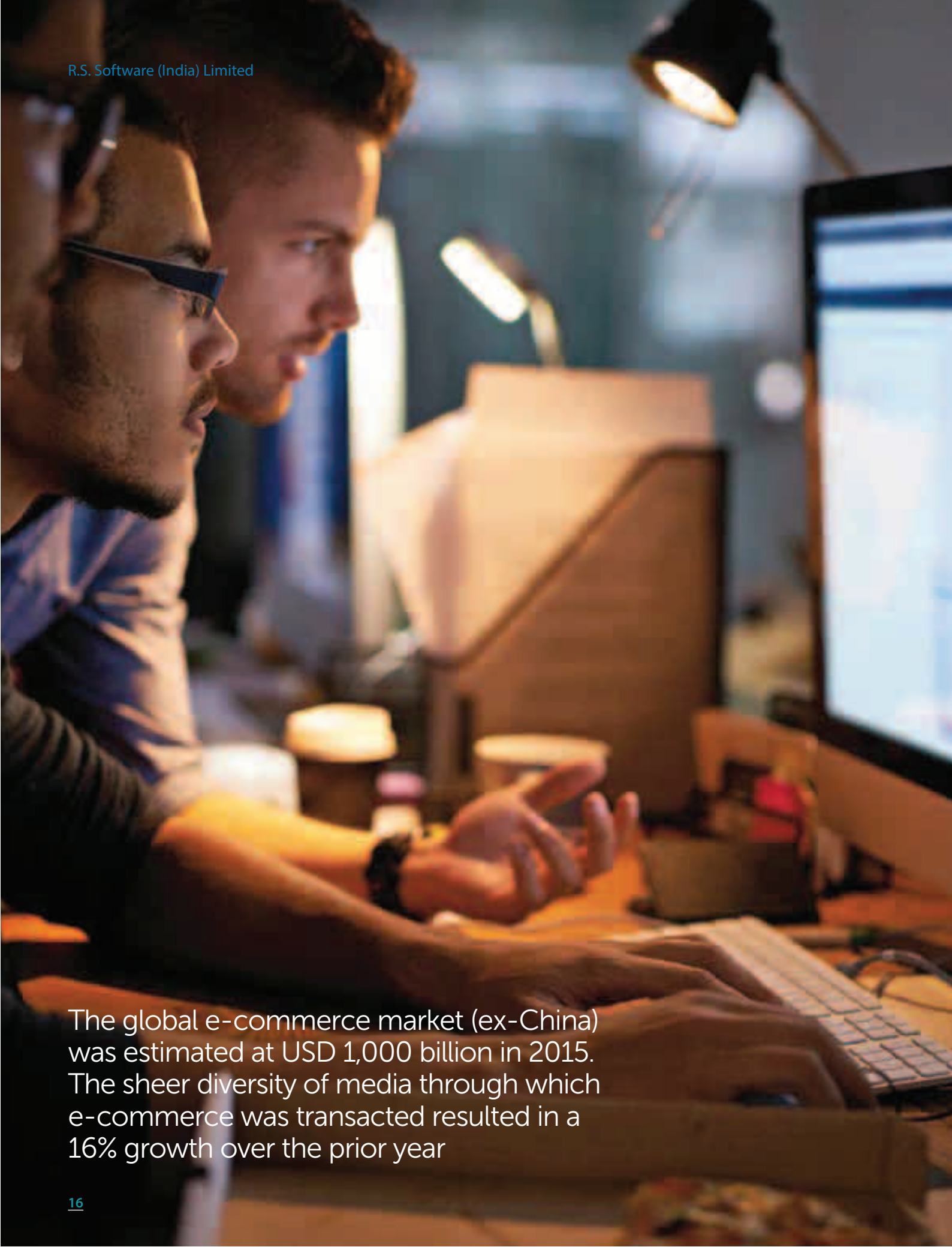
The Indian IT industry is likely to grow from the present

130  
USD billion to  
350

USD billion in 10 years



Raj Jain, Chairman

A photograph of two men in a dimly lit office environment. They are both looking intently at a computer monitor on the right side of the frame. The man in the foreground is wearing glasses and has a beard. The man behind him is also looking at the screen. The office is illuminated by warm, yellow desk lamps, creating a focused and professional atmosphere. The background is slightly blurred, showing other office equipment and lights.

The global e-commerce market (ex-China) was estimated at USD 1,000 billion in 2015. The sheer diversity of media through which e-commerce was transacted resulted in a 16% growth over the prior year

of the growth of the electronic payments world. The Company is now ready to take a leap of faith and help transform the world to facilitate digital commerce through digital payments.

The RS Software strategy for growth is to leverage the revolutionary changes in the global payments industry including India. The industry needs continuous enhancement, new-build and maintenance of the core infrastructure. This is what RS Software has been executing for 20+ years, working with global leaders. Besides, the new world of digital commerce needs a revolutionary payment reach to the dual constituency (merchant and consumer). After 15+ years of being in the evolution stage, e-commerce and m-commerce, are now ready to explode on the backbone of technology adoption ease by the millennial generation.

### E+M = Digital Commerce

The global e-commerce market (ex-China) was estimated at USD 1,000 billion in 2015. The sheer diversity of media through which e-commerce was transacted resulted in a 16% growth over the prior year. (Source: eMarketer)

These are some of the trends influencing the global growth of digital commerce.

**Desktop browser-based:** This is the largest and most mature digital commerce category accounting for around USD 250 billion in US payment volume in 2015, up 15% over the previous year. Desktop e-commerce grew 8%. (Source: comScore)

**Mobile:** This segment grew 56% in the US, estimated at about 17% of total US e-commerce sales (even as e-commerce represented about 11% of total discretionary retail sales, according to comScore). There is

considerable scope in the growth of mobile-based e-commerce, considering that the instrument accounts for 65% of internet use.

**Mobile in-app:** Mobile in-app commerce is similar to desktop browser-based commerce, except browsing and payment occur within the retailer's mobile app. Demand for mobile in-app commerce is catalysed by smart phones/tablets, retailer apps and high-speed data.

**m-commerce:** The convergence of e-commerce and m-commerce has created the second wave of niche integrators looking to simplify the payment stack, offering everything from gateway services to payment design.

Rising popularity of social networks, self-service apps and smartphones/tablets and the convergence of the online and brick-and-mortar worlds have increased consumer demand for more dynamic ways to consummate payments and have forced merchants to develop omni-channel retailing and payment platforms. What technology wins out is unclear, but winners are likely to be companies that can socialize payments or accelerate commerce for the benefit of consumers and merchants.

### Ground realities building into a large potential

The ground realities are exciting. In the United States, 85 million millennials, all digital natives, are coming of age and are considerably more open than the 40 million Gen X-ers in considering the use of a new financial-services provider that is not their parents' bank.

Banks remain systemically vital to economies; they are highly regulated; they hold a monopoly on credit issuance and risk taking; they are the major repository for deposits, which

customers largely identify with their primary financial relationship; they continue to be the gateways to the world's largest payment systems; they still attract the bulk of requests for credit.

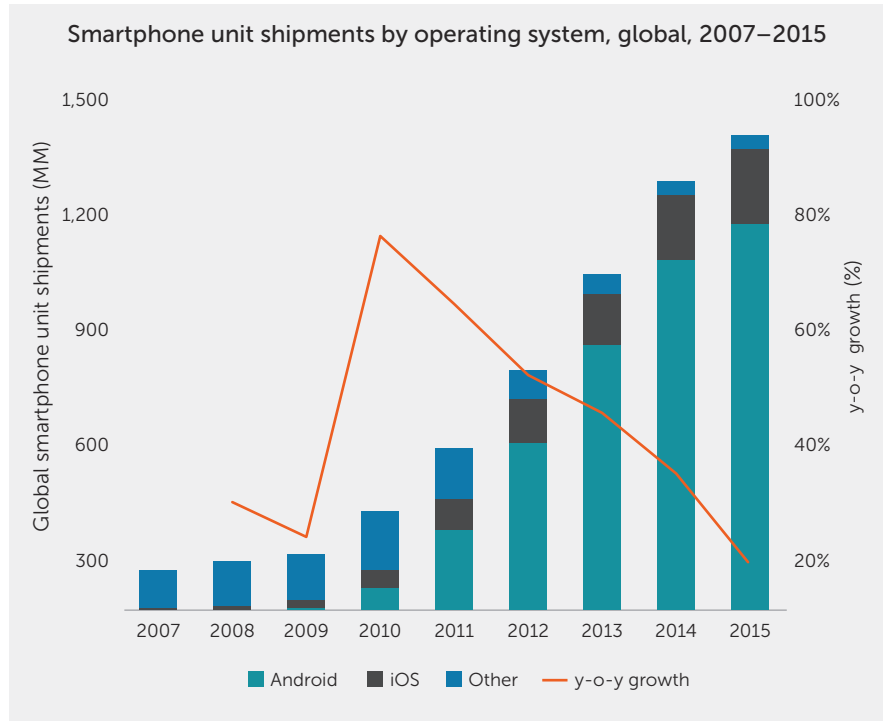
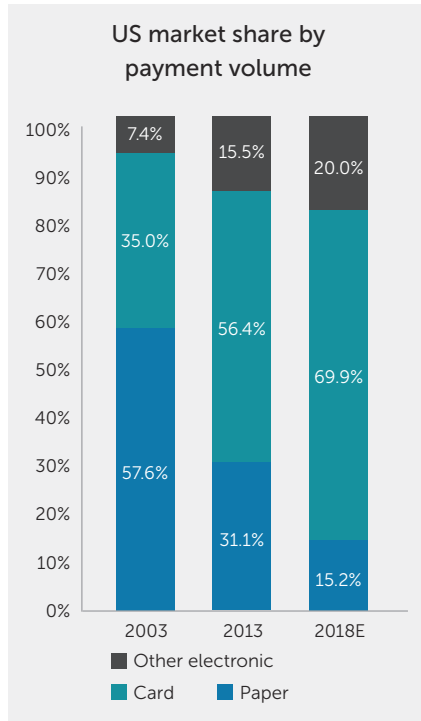
However, some things have started to change. The ubiquity of mobile devices has begun to erode the advantages of physical distribution that banks enjoyed. Smartphones provide a new payment paradigm coupled with personalized customer service.

### The seminal transformation in the payments world

When was the last time you used an Ola or Uber rather than driving yourself or hailing a regular taxi? Was the experience different? Did you have to worry whether you have money on you? Did you get a chance to exercise your consumer right and give your good or bad feedback right away?

The world is now engaged with exponentially developing technologies. When the iPhone 5 came out, millions of consumers had more computing capacity than a Cray 1 in their pocket. Now we see the emergence of 3D printing, machine learning, block chain, drones, omnipresent high-speed connectivity, robotics, artificial limbs, private sector space travel, autonomous vehicles, intelligent agents – and other game-changing technologies.

These technologies have been in development for decades, but computing capacity has now reached an inflection point making breakthroughs possible across many domains. Disruption has led to some of the greatest advancements and most transformative innovations of our time. There is a growing feeling that banks are at an 'Uber moment', indicating that pressure from new technology-based competitors



could compel banks to significantly automate their businesses. The result is that the number of branches and people may decline by as much as 50% over the next years, creating a powerful opportunity for companies like RS Software.

What makes us optimistic is that in the US and Europe, only a small fraction of the current consumer banking wallet has been disrupted by fin-tech, inspiring the observation that we are not even at 'the end of the beginning' of the consumer disruption cycle. There are estimates that about only 1% of North American consumer banking revenue has migrated to new digital business models (either at new entrants or incumbents) and this could increase to about 10% by 2020 and 17% by 2023, creating a multi-year opportunity for service providers.

Amazon took almost 20 years to arrive at its current leadership in digital commerce; the largest payment network took 20+ years to graduate

from 500 transactions authorization capability a second to a 56,000 transaction capability.

We believe that this sustainable growth will be derived through a combination of collaboration and brutal competition between mature firms and disruptive startups with the objective to race to the top of the Value Stack.

### How RS Software is capitalising

RS Software's strategy is to leverage the revolutionary changes in the global payments industry. The Company has been engaged in continuous enhancement, new-build and maintenance of core infrastructure, while working with global leaders for more than two decades.

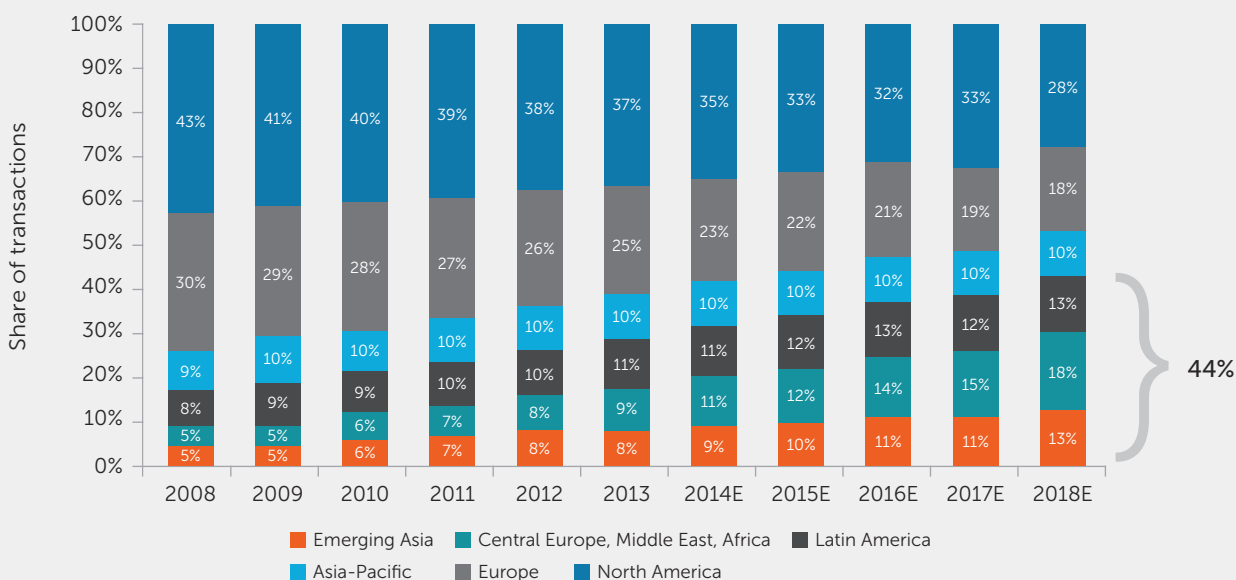
During the last 10 years, RS Software multiplied its payments domain-focused revenue from USD 4 million to USD 60 million. McKinsey has

identified the global move to platform/digital economy as an opportunity valued at USD 4 trillion between now and 2025. The impact of the elimination of our most important risk of single client dominance resulted in a temporary reduction in revenues, but we see this only as a necessary blip in our journey to build an even stronger future for all our stakeholders. What we have gained is the empowerment to go after all opportunities in the payments industry globally. The elimination of this risk is then the most positive development that will make it possible for us to capitalize on great opportunities.

Interestingly, even as we were focused on business coming out of developed markets, one of the largest digital commerce opportunities lies here in India. RS Software is building India's digital payment infrastructure, a contract won against global competition. This project represents the foundation for India to leapfrog into the electronic payments ocean,

## By 2018, emerging markets will drive nearly half of non-cash payments

Global share of non-cash transactions (by region)



led by the mobile revolution. India enjoys the potential of connecting every cell phone to an ATM through P2P transfers – the possibility of one billion ATMs. Even as India has the lowest per capita point of sale infrastructure, this could change dramatically with mobile phones enabled at points of sale.

Over the last few months, RS Software built a state-of-the-art digital payment infrastructure (UPI) for India, which represents the foundation for what is popularly referred to as the 'Whatsapp moment for India in payments'.

The opportunity for RS Software is to help build, enhance and maintain in country payment infrastructure in potentially 100 different countries.

### Creating an exciting RS Software

RS Software is attractively placed to provide capabilities in infrastructure building and digital payments, leveraging the large opportunity

towards building a platform economy. The opportunity for RS Software is to build a payment system for all these emerging platforms. This strategy will transition the Company to a recurring revenue model that benefits significantly from the network effects. Businesses like Airbnb, Uber and Ola have proved that computing capacity and network connectivity make it possible to create a marketplace organization that uses software in resource allocation. Marketplace organizations add value by improving labour and asset utilization; they do not need to own physical assets or employ many people, giving them a dramatic advantage in capital efficiency. Marriott has more than 400,000 employees; Airbnb employs less than one per cent of that.

We are confident that RS Software possesses deep credentials to facilitate disruptive change, transform the electronic payments reality and enhance value for citizen, country and company.

### A race to the top of the value stack

To execute this strategy, we possess the financial foundation: debt-free for several years coupled with cash reserves of ~₹200 crore.

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 payments thought leadership. We have a high quality 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 cusp of a robust growth journey.

Raj Jain, *Chairman*

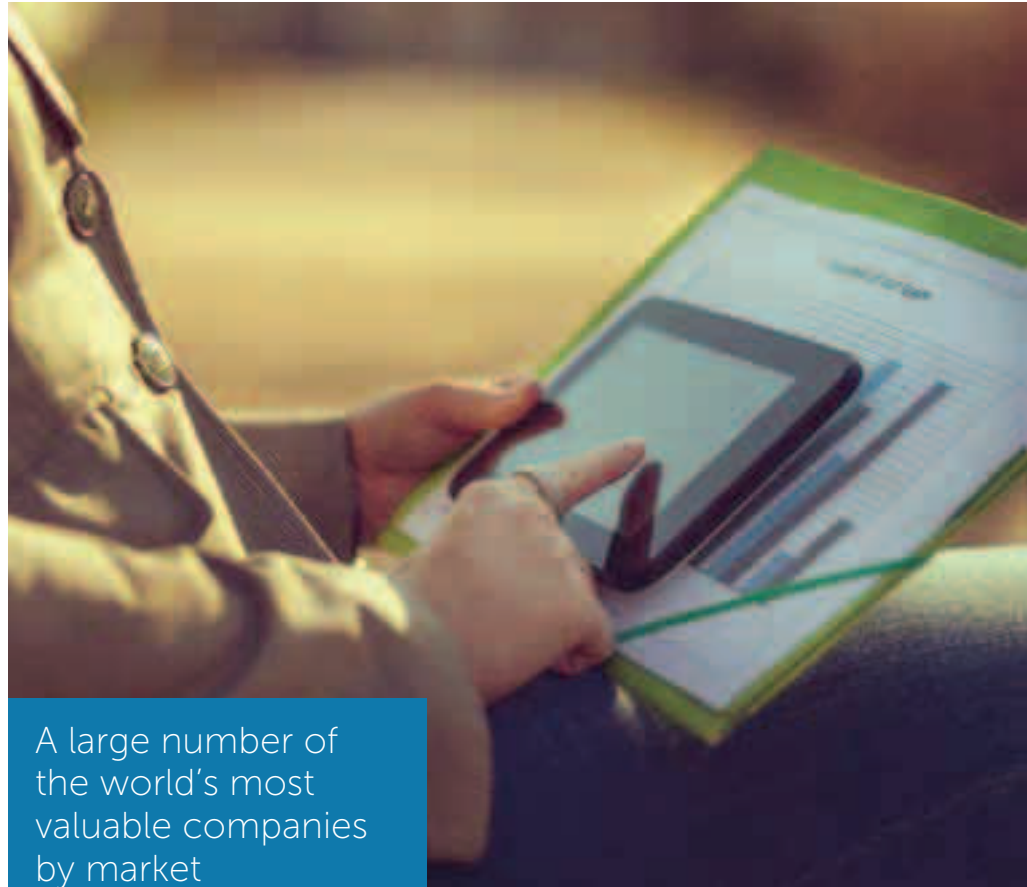
# The platform / sharing **economy**

**P**roducts produce a single revenue stream, while platforms—which we define as intermediaries that connect two or more distinct groups of users and enable their direct interaction—generate many. They capture value by charging fees for access to the platform.

A large number of the world's most valuable companies by market capitalization in 2015 were platform companies, including five of the top 10 (Apple, Microsoft, Google, Amazon, and Facebook). Although some of those companies started with platforms, many started with products: Amazon launched as a retailer in 1994 and six years later introduced Amazon Marketplace; Google began with a search engine in the mid-1990s and then introduced search advertising in 2000; Apple created the iPod in 2001 but didn't move toward a platform until it developed the iTunes Store in 2003 and the App Store in 2008.

All these platforms need payment systems that are friction-less. We believe the impact of the sharing economy on various industries at this early stage is poised to disrupt commerce, and this will have the 'high tide' impact on digital payments. In India, the examples of similar companies are Ola and Uber. We recognize that the sharing economy and collaborative consumption is a difficult concept for many investors, but so were early stage companies like Amazon, which today enjoy market capitalization higher than Wal-Mart, the largest brick-and-mortar retailer in the world.

There are several inflection points at the intersection of demographics, technology and cultural changes that are turning into a powerful payments



A large number of the world's most valuable companies by market capitalization in 2015 were platform companies, including five of the top 10 (Apple, Microsoft, Google, Amazon, and Facebook).

disruption force. This represents the next large opportunity for RS Software to evolve into the next generation digital payment systems company.

## Some prominent global trends

**Core plumbing:** The vast majority of mobile payments will ride the rails of existing payment network

infrastructure like Visa, MasterCard, American Express and Discover, or in country networks like NPCI in India. RS Software is building the digital payment infrastructure for India. The unified payment interface (UPI) built by RS Software was launched in April 2016.

**Tokenization:** The most important payments innovation of the last few years has been tokenization — the substitution of the Primary Account Number (PAN) with a token that can be routed through the same payment networks. This mechanism has powered Apple Pay, Android Pay and Samsung Pay, widening the market. The storage of card credentials on the phone was enhanced following the introduction of this technology. The

proliferation of network tokens should accelerate as more end points seek to conduct secure commerce via tokens including the classic browser to mobile apps to the Internet-of-Things (IoT).

RS Software has participated in the move to tokenization from its inception and executed the incorporation of this technology in Apple Pay and Android Pay.

India is moving towards the 'Internet of Things', with the BFSI segment, a lynchpin of the Indian economy, experiencing technology-driven transformation and disruptive innovation. This growth is being driven by the entry of non-traditional players, widening the case for digital banking.

Sharing assets, services and time is nothing new; in fact the 'sharing economy' is not new, but the internet is accelerating its penetration into daily life. The sharing economy works because it creates more favourable economics when parties share underutilized assets. This is a powerful concept that will make it possible for countries like India to move to the bottom of the pyramid economy.

This shift in consumer behaviour towards welcoming services and sharing assets with strangers was born out of the peer-to-peer marketplace model, first introduced by internet companies like eBay, Craigslist, Napster, YouTube and Ask.com. The longstanding relationship that customers had with their banks has changed. Customers rely less on the physical and more on the digital: ATM, on-line chat, mobile phone and Internet banking. Even as these realities are additive

to a customer's banking experience, there will soon come a moment when the digital disruption tipping point will transform the banking business. The mobile phone and tablet card readers could do to the physical world what PayPal did to the online space over 15 years ago, providing casual merchants, who couldn't afford to maintain a merchant account, with a cost-effective means of taking credit or debit cards.

Even as consumers are becoming more demanding, there will be a growing preference for automated services and digital content: because of their capital efficiency over manual services, and manifest the move to affordable price-point economy. Providing access to assets and services will be crucial. Once assets and services are reachable, it will be possible to access them by a B2B or B2C customer in an online marketplace. Such a marketplace will add value by reducing buyer risk and guaranteeing a basic service level. This will also ensure payment and improve utilization for the provider. Marketplace organizations will therefore earn commissions, enhance shareholder value and build valuable brands.

There is already in the making an extended revolution in countries like US where intelligent 'agents' like Viv and Amazon's Alexa could soon be making purchase decisions on behalf of human buyers, which could prove disruptive for brands. We expect that several companies in US are already capturing the Agent layer in the Value Stack and are rapidly implementing interfaces to plug into the major Agent brands.

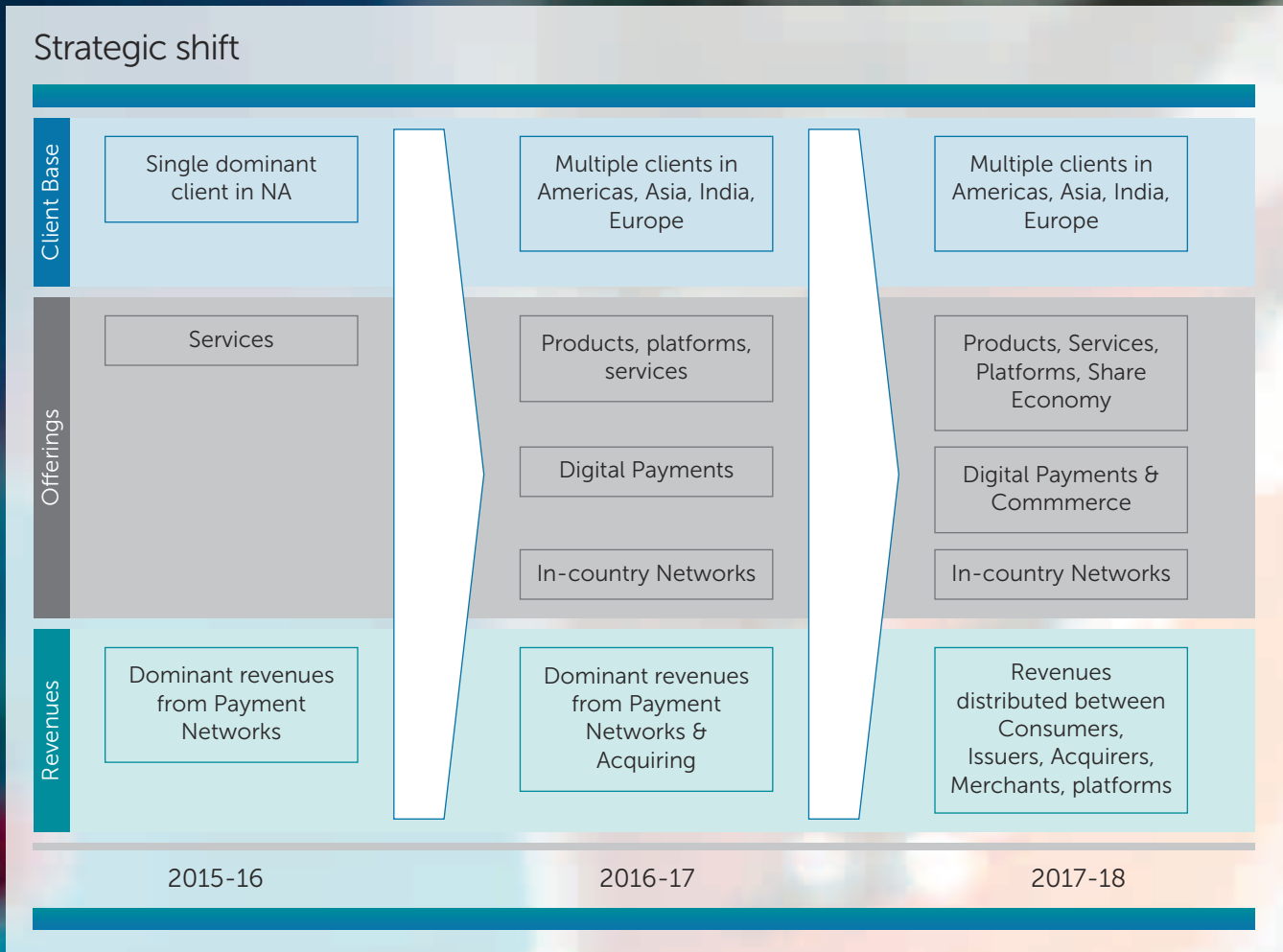
India is moving towards the 'Internet of Things', with the BFSI segment, a lynchpin of the Indian economy, experiencing technology-driven transformation and disruptive innovation.

In industry after industry, we will see a combination of collaboration and brutal competition between mature firms and disruptive startups with the objective to race to the top of the Value Stack.

### RuPay: India's MasterCard/ Visa Alternative

RuPay was launched by the National Payments Corporation of India to consolidate the various payment systems in India, while being an alternative to MasterCard and Visa. As with other domestic schemes, RuPay carries lower transaction costs than MasterCard and Visa. Although MasterCard and Visa remain the dominant brands in India, RuPay is growing rapidly and gaining share due to a strong push for financial inclusion by the Indian Government. As a point of comparison, RuPay has ~220 million cards in circulation (>30% market share in debit category) vs. ~14 million last year, ~75% of which are linked to the government financial inclusion mission (Jan Dhan Yojna) launched in November 2015.

# The RS Software strategy





## Growth themes for RS Software

### **SECULAR GROWTH**

Payments are enjoying a secular tailwind that will continue for several years

### **SECURITY**

Tokenization and EMV, digital Identity

### **TRANSITION TO PLATFORMS**

Shared economy, digital commerce and payments, block chain

### **FASTER PAYMENTS**

Upgrading the ACH system globally - UPI in India

### **FINANCIAL INCLUSION**

Payment infrastructure - in country payment networks

There comes a time when a company needs to decide.

Decide whether it will be a ship tied securely to the shore.

Or a ship that will do what it was built for - sail the seas.


The year 2015-16 was that big moment for us.

Decide we did.

*Starting a new leg in our journey.*



The story of **RS Software** has been one of transformation.

A hand holding a smartphone is shown in the lower right portion of the image. The background is a dark blue gradient. Overlaid on the right side is a glowing globe of the Earth, surrounded by a complex network of white lines and dots, representing a global network or data flow.

RS Software is a globally respected best-in-class payment services provider.

Respected as a single-minded specialist.

With the niche experience of more than two decades.

Working with some of the largest global brands.

Enjoying a rich 360-degree understanding of global payment ecosystems.

RS Software's partnership model works with all the payment industry stakeholders (Issuers, Acquirers, Payment networks and Merchants) - innovatively and proactively.

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## Background

RS Software (India) Limited operates a state-of-the-art software development centre in Kolkata (India) with a visible presence across clients in four continents and global offices in the US, the UK and Singapore.

## Engagement model

RS Software's partnership model works with all the payment industry stakeholders (Issuers, Acquirers, Payment networks and Merchants) - innovatively and proactively.

The integrity of the payment network is supported by the payment processing and services industry that provides infrastructural and complementary services. This business is driven by the following stakeholders:

**Merchant acquirers:** They represent the 'distribution and sales' arm of the global payments industry. Acquirers get merchants to sign card acceptance agreements; they are typically the merchant's first (and primary) point of contact, interacting directly with the merchant.

**Merchant processors:** They represent the gateway to payment networks, providing data authorisation, transmission, security and settlement functions as an outsourced service provider to merchant acquirers. This scale-driven business is marked by a handful of large players and is often outsourced and utilized by merchant acquirers.

**Payment networks:** They represent the backbone of the electronic payments system, connecting and switching transactions between acquiring banks and issuing banks. This enables electronic payments authorisation, clearance and settlement. Network providers govern interchange rates for their respective issuers, set rules and compete on



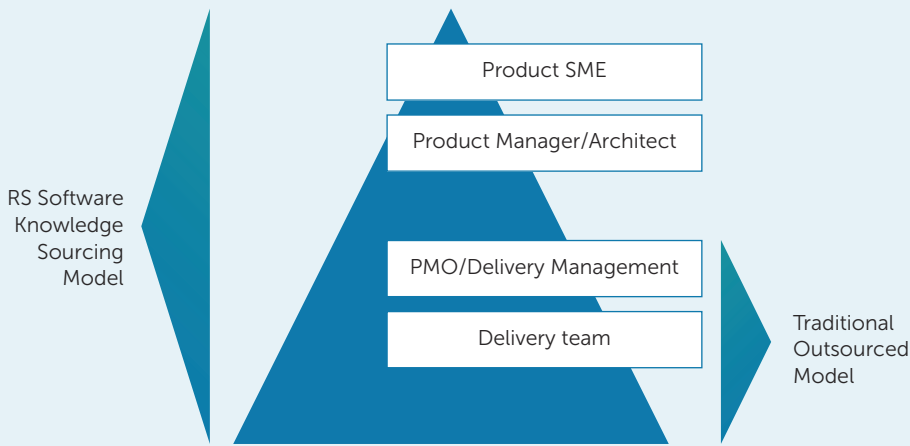
the basis of merchant acceptance, reliability, price and value-added services.

**Card-issuer processors:** They provide outsourced authorisation, settlement, customer service/call centres, loyalty programme administration and statement printing and mailing services to the card-issuing community.

**Card issuers:** They market card-based products to consumers, generating transaction fees (e.g. interchange), nuisance fees (e.g. late fees) and net interest margins in the case of revolving cards.

**Others:** PoS terminal providers design and manufacture payment card reader devices and systems. Gateways are digital equivalents of physical terminals and serve to capture transactions at points-of-sale, translate transactions to the proper message format and distribute them to the designated networks. Gateway providers include retail gateways that connect e-commerce transactions to merchant acquirers, and also wholesale gateways that interface between merchants of record and merchant processors.

RS provides unique value of 'Knowledge' sourcing



- Engage at strategy or conceptual level
- Enable domain knowledge bandwidth
- Extend industry best practices
- Efficiency accelerators: frameworks, tools
- Sustained engineering best practices

RS Software's Knowledge Sourcing Model makes it possible to engage strategically in product conceptualisation, leveraging an in-depth domain understanding. This supplements the customer's bandwidth, enhancing competitiveness. RS Software uses retrofitted frameworks and tools to increase efficiency by reducing the total cost of ownership while enhancing investment returns.

People

RS Software's 600-member team has carved out a reputation in addressing the specialized needs of some of the world's leading brands.

Listing

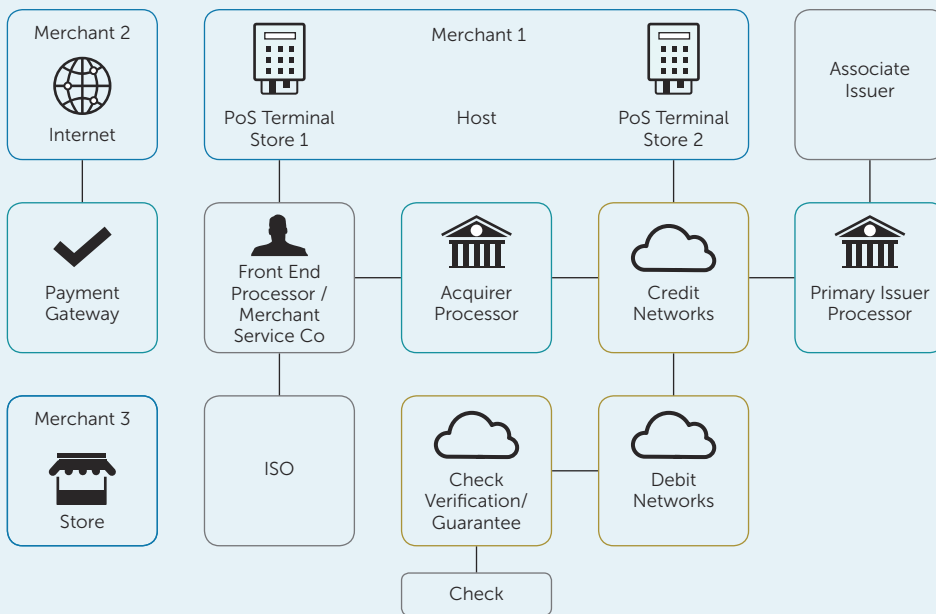
The Company is listed on the National and Bombay Stock Exchanges; its stock is actively traded and enjoyed a market capitalisation of ₹279.80 crore as on 31st March 2016.

Offerings

RS Software offers a comprehensive range of services developed and customized to facilitate financial intermediation.

The MOAT

360 degrees of payment ecosystem experience



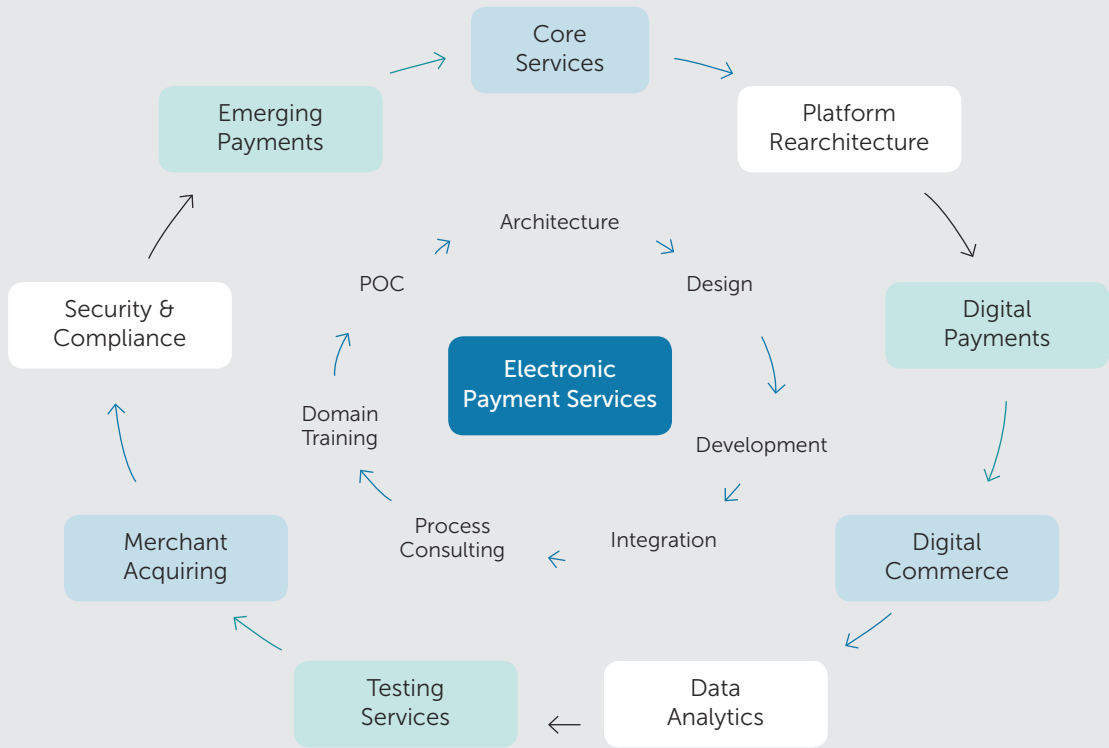
Our mission is to help our clients enhance the economic circumstances of individuals, communities and countries through the transformative power of electronic payments.

The expertise



Engaged with the leaders in electronics payments globally for over two decades

What we offer



# 1 How RS Software strengthens the business of its customers

RS Software possesses the competence to build and maintain systems that process billions of secure transactions a year - at speeds of more than 50,000 transactions per second.

Financial institutions, banks, payment networks, payment processors and merchants process billions of payment transactions every year, translating into trillions of dollar value. RS Software builds and maintains the mission critical software applications that allow these institutions to make their systems available with total reliability, 99.99999% availability, while keeping them secure. This leads to the strengthening and reinforcement

of the stakeholder brand in the minds of consumers who may initiate electronic payment transactions either at brick-and-mortar locations or an e-commerce transaction. In addition, RS Software works with other technology providers, particularly software product companies, who need development partners to achieve improved implementation of their solutions in the electronic payments industry.

**Scalability:** There is a growing focus on addressing the fast-changing requirements of customers, more so with rapid move towards digital payments and platform economy.

## Security and compliance

### *Challenges faced by the industry*

- Criminals exploiting new methodologies such as RAM scraping
- Costs of alerts climbing in line with growth in transaction volumes
- Presence of legacy systems limiting flexibility to respond
- Disparate systems fragmenting full-view of customers

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# 2 How RS Software is implementing cutting-edge technology to counter emerging threats

The growing ubiquity of technologies such as EMV, tokenisation, cryptography, randomising PIN pads, one-time passwords and biometric device and geo-location, has made it necessary to counter emerging security threats.

All RS Software project teams employ a proprietary methodology designed for and based on the unique dynamics of the payments industry. The RS Global Execution Methodology - or RS GEM - is based on a proven, process-oriented structures used around the

world. Its foundation is built on a comprehensive understanding of the client's business strategy, operational requirements and technology infrastructure, including applications, interfaces and hardware platforms.

## Quality assurance and testing

### *Challenges faced by the industry*

- Organisations are not achieving coding efficiency required to avoid outages

- Round-the-clock marketing has warranted the need for continuous testing
- New payment methods are creating a need for new testing scenarios
- High testing loads are increasing stress on available resources



## 3 How RS Software is helping graduate quality assurance to the next level

Traditional testing tools and manual processes are being replaced by automated, continuous testing processes based on frameworks and accelerators that extend code coverage, moderate overheads, optimize resources and adapt to new devices and payment types. Concurrently, end users' tolerance for application errors, security issues and performance inconsistencies has significantly declined.

RS Software has invested in a

competent pool of Quality Assurance professionals with a combined experience of more than 100 person-years for planning and implementing strategic solutions. RS Software's expertise encompasses diverse areas like need-based analyses, process recommendations, creating road maps and optimising delivery. RS Software's time-tested templates and expertise in certification, integration, device and UI testing help streamline operations and improve code coverage.

### Data analytics

#### *Challenges faced by the industry*

- Increasing data volumes are stressing systemic scalability
- High investment is required to access and utilize data
- Dearth of best-in-class resources
- Regulatory and compliance issues enhancing complications

## 4 How RS Software is helping payment organisations transform raw data into information

Organisations and individuals create 2.5 quintillion bytes of data every day. (Source: IBM) Collectively, human beings have generated 90% of the world's data in just the last two years. The foremost priority for contemporary business is to generate actionable information by mining this massive data.

Payments organisations are seeking to leverage advanced data mining techniques to make decisions and mechanising operations using pattern-based, event-driven triggers in order to lower costs and increase revenues.

By helping companies analyse, validate and sanitize vast swathes of data, RS Software has developed a repertoire of skills unlike most players. Over the last four years, the Company invested considerable resources in absorbing new-age technologies like Hadoop, Talend, HBase and Spark, among others.

### Core processing

#### *Challenges faced by the industry*

- Lack of clarity in the reconciliation, settlement, disbursement of online payments

- Need to adapt to regional regulations, cross-border legislations and AML requirements
- Need to improve availability, scalability, reliability and integration
- Need to address emerging technologies like NFC-based payments and tokenisation

## 5 How RS Software is modernizing core processing systems

With increasing growth in the use of e-payment methods, core systems responsible for supporting payments need to be modernized and integrated to reduce dependence on manual intervention.

By improving operational efficiency and lowering costs related to switching, authorisation, clearing

and settlement, reconciliation and dispute handling across large, high-performance environments, RS Software has helped clients moderate costs and enhance satisfaction.

RS Software is a leader in vertically-integrated solutions involving the deployment and customisation of software in complex, mission-

critical payments environments. The Company's exclusive focus on the payments industry forms the basis for its proprietary processes and methodologies that have consistently reduced time-to-market for clients. Its Global Knowledge Transfer model maximizes value-addition for clients across the payment life-cycle.

## 6 How RS Software is helping organisations respond to the digital revolution

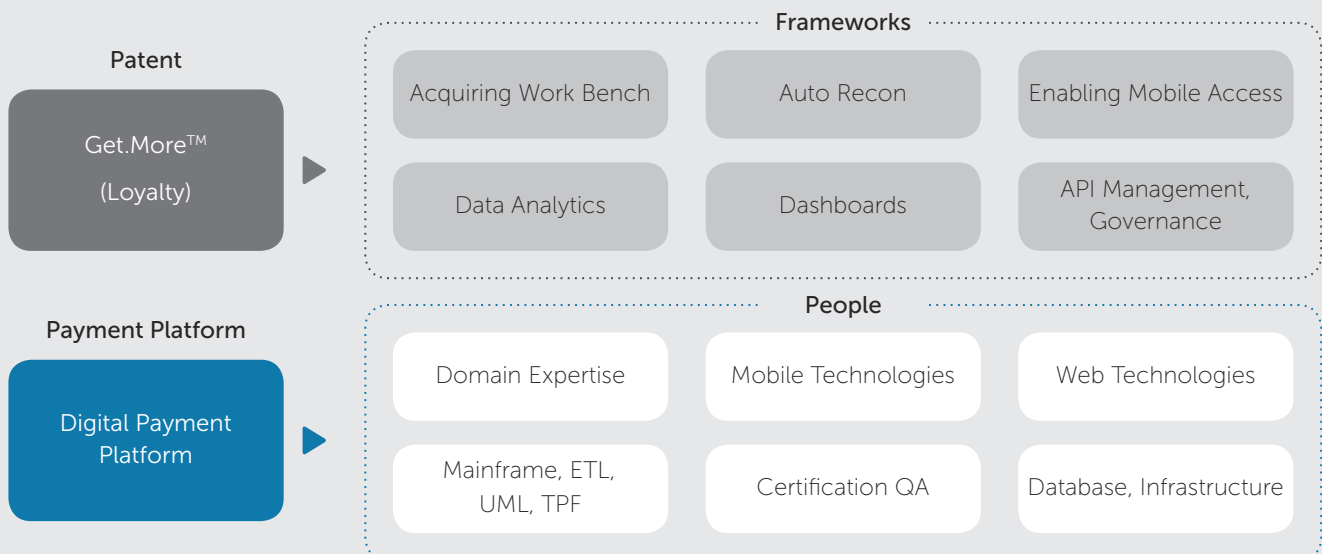
For long, much of the attention within the digital payments space was focused on hubs. Over the last decade, there is increasing evidence that much of the industry action is transpiring across spokes – acquirers, issuers and merchants – who are beginning to carve out a larger market share.

The remarkable aspect of this transformation is that a number of regulatory agencies are coming to

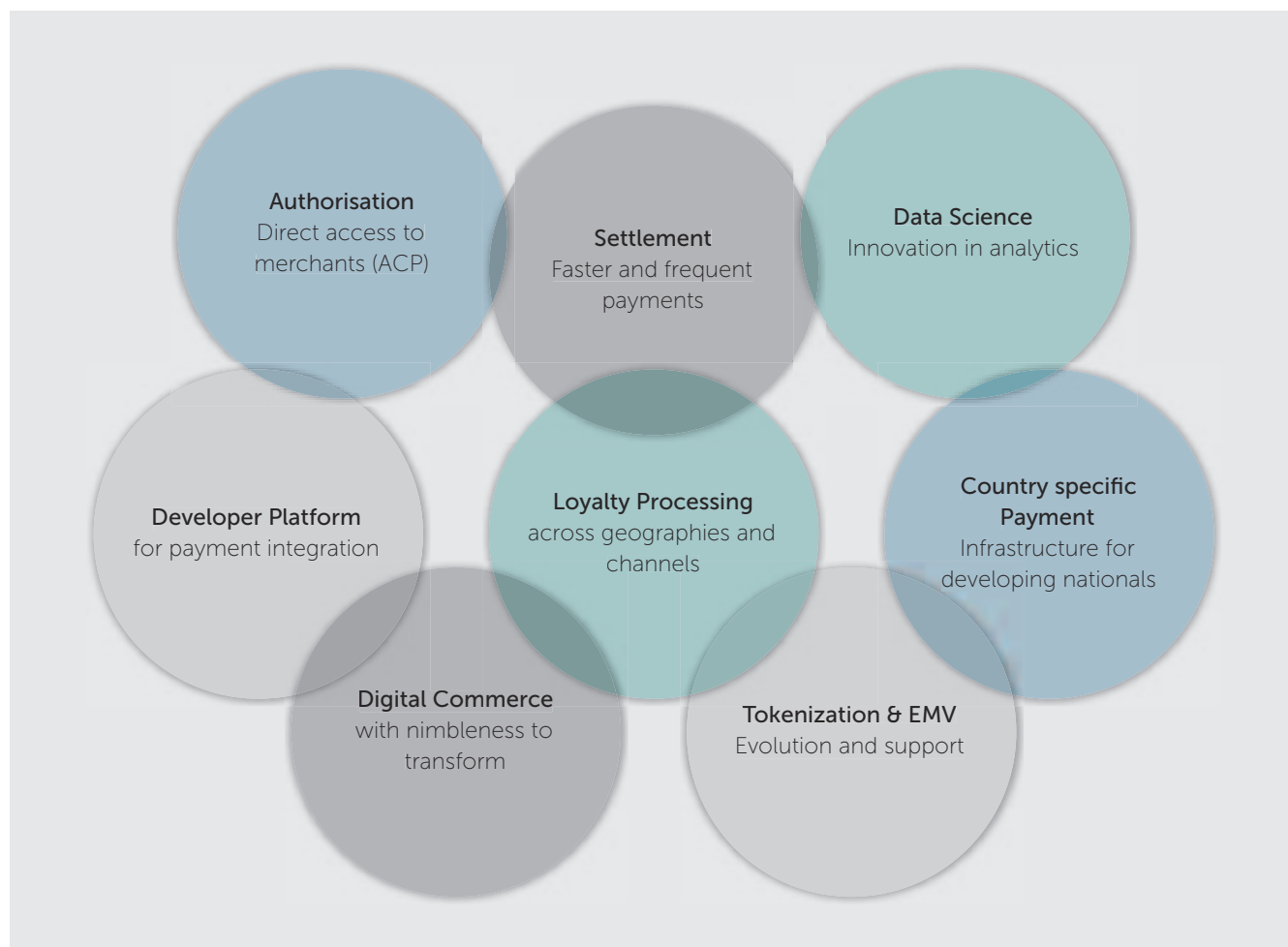
grips with the virtual death of physical money. This is being reflected in governments announcing regulatory guidelines expected to increasingly streamline digital payments not only within their countries but also across borders, indicating the coming of age of this commercial development.

The Company derived a principal portion of its revenues from one of the largest payment network companies for years. RS Software

is now engaged in leveraging the rich experience of working with prestigious clients and widening its customer mix, broadbasing its risk framework and opening itself to new growth possibilities. Case in point: the National Payments Corporation of India awarded RS Software a contract to build a digital payments enablement platform to catalyse the country's financial inclusion.



## The RS focus on emerging dynamics of payment networks



### RS Tools, Solutions and Frameworks

Merchant Management	RS Merchant Management, Solution in cloud
Digital Payment Platform	RS Digital Payment Solution, RS patented Get. More solution.
API Management	RS API Management Roadmap, Governance and Implementation Framework
Data Analytics	RS Data Analytics POCs and solutions
Test Suites	RS Test Scenarios and Test Cases Repository comprising 3000+ Test Cases across Authorisation, C&S and Dispute
Certification Testing	RS partnership with Paragon - leading transaction simulator tool provider
Auto-Reconciliation	RS automatic reconciliation solution for processors and merchants



## Operational review by the RS Software management, 2015-16

**Q:** How was your performance during the year under review?

**A:** The year 2015-16 was the most eventful year in the Company's existence. Even as the Company has had a track record in making bold decisions at various junctures, what we embarked upon last year will

influence the quality of our business, scale and most importantly the de-risking of our business model. So if you appraise the Company from the limited standpoint of its financial numbers, it was a disappointing year. If you delve deeper, you will appreciate the reasons why the decline in numbers is a precursor to the client-related risk mitigation model and why



this de-risking decision was prioritized almost 15 months ago.

**Q:** Can you explain how this client relationship benefited RS Software over the years and what were the reasons for making a significant shift in the relationship?

**A:** This association proved to be strategic and business-strengthening for RS Software in a number of ways.

**One**, we capitalized on the opportunity to work on mission-critical assignments.

**Two**, we enjoyed a ringside understanding of technology changes.

**Three**, we worked at the core of the payments network space.

**Four**, we received a growing number of projects and reported attractive revenue growth that made it possible for us to reinvest.

**Five**, we played a meaningful role in the payments network technology evolution over the last decade.

**Six**, we helped grow the authorization transaction processing capacity from 500 a second to 56,000 a second across two decades.

However, there were relationship limitations that we needed to consider. VISA began to account for a major part of our revenues (90% at the start of 2015-16) which significantly enhanced our corporate risk. The non-compete terms, both contractual and informal, prevented us from accessing other payment industry leadership companies. The payments industry started to grow significantly in the last three years and we were not able to benefit from it. The Board and the management at RS Software assessed its financial status and decided around January 2015 to address this risk with priority.

**Q:** What did the Company do to make this de-risking a reality?

**A:** RS Software has always believed in 'Think of yourself as the customer'. Our client's business model is based on two critical business releases that impact banks world-wide. The major release takes place in the month of October each year. At the ask of our client, because our company was a significant partner, we executed business as usual to meet the October 2015 business release. VISA expressed the growing need to in source

services; RS Software wanted to seek large opportunities in the payments industry. A number of projects were progressively closed and by the start of fiscal 2016-17, this client accounted for no more than 25% of the Company's topline – a major shift from 90% at the start of the fiscal year under review.

**Q:** How will RS Software respond to this transition?

**A:** I am pleased to communicate that RS Software has already started to address the transition in a decisive manner. The Company has carved out a strategy. Our goal is to accelerate the building of a payments infrastructure and transform legacy technologies to digital. In essence, RS Software entered the space of financial technologies and digital transformation.

As part of the Company's India strategy, RS Software is building India's digital payment infrastructure. In just a few months, RS Software built a state-of-the-art digital payment infrastructure for India, which could lead to the opportunity to build and maintain such infrastructure in 100 countries.

**Q:** How long will this decline in revenues last?

**A:** Being publicly listed, we are not allowed to make futuristic statements. We have presented in this annual report our clear strategy moving forward, the details of the opportunities that lie ahead of us, reiterated our payment knowledge asset moat and are confident that we are positioned to capitalize on revolutionary changes taking place in the payments industry globally and in India.

## Review of our performance

To make the most of the emerging opportunities in the payment landscape, RS Software shifted its focus from relying excessively on revenues from a single client towards creating a diversified customer base.

During 2015-16, the Company ventured into the creation of a digital platform (in progress), the result of which would become visible over the next few years.

So even as revenues and profits declined, the Company is optimistic of graduating to a higher orbit across the foreseeable future.

## Revenues and profits

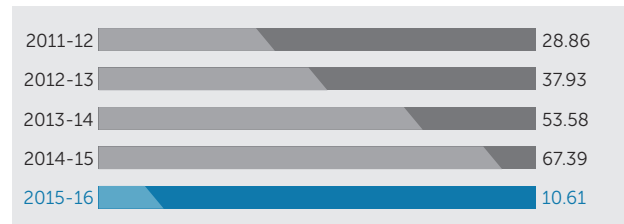
### REVENUE (₹ crore)

Revenues declined from  
**₹388.07 crore**  
 in 2014-15 to  
**₹205.50 crore**  
 (47% de-growth in INR).



### PROFIT AFTER TAX (₹ crore)

Profit after tax declined from  
**₹67.39 crore**  
 in 2014-15 to  
**₹10.61 crore**  
 (84% de-growth in INR).



### PROFIT BEFORE TAX (₹ crore)

Profit before tax declined from  
**₹99.07 crore**  
 in 2014-15 to  
**₹14.39 crore**  
 (85% de-growth in INR).



## Profitability and productivity

### EBIDTA (₹ crore)

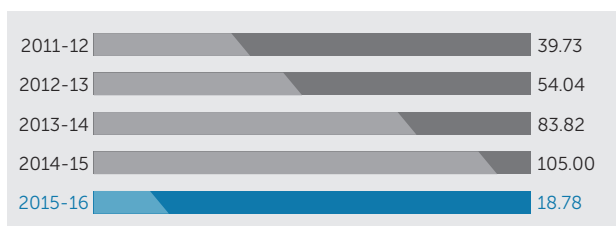
EBIDTA margins declined from

**27.06%**

in 2014-15 to

**9.14%**

in 2015-16



#### Rationale

RS Software deployed resources in offshoring, leveraging the benefits of its proprietary engineering expertise and optimizing people costs. However, the transformation of the Company from a legacy payment services provider to specialized player in the realm of emerging technologies resulted in a decline in volumes steeper compared to a decline in expenses, leading to a drop in margins. Going ahead, the Company's focus on India will help enhance volumes and margins. The Company is optimising its resource mix in line with this strategic shift.

## Cash-competiveness

### CASH PROFITS (₹ crore)

RS Software reinforced its liquidity with a cash equivalent balance ₹190.62 crore as on 31st March 2016

RS Software has been operating as a zero-debt company for the past 6 years, with reserves and surplus on its books amounting to ₹216.43 crore.



#### Rationale

RS Software's sustainability has been largely derived from its robust financial foundation and access to sizeable cash position. This has provided it with enough room to engage in the aforementioned transition to diversify its customer base.

## Return to shareholders

### DIVIDEND PAID AS A PERCENTAGE OF PROFIT AFTER TAX

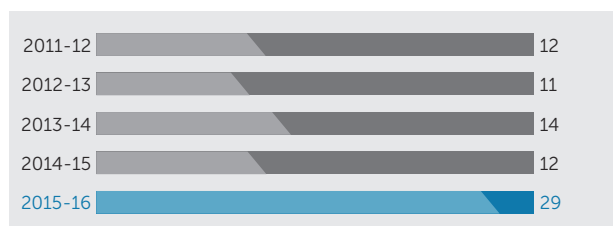
Dividend paid stood at

**₹3.08 crore**

in 2015-16 against

**₹8.34 crore**

in 2014-15



#### Rationale

RS Software reported a profit of ₹10.61 crore during FY2015-16 and commensurately rewarded shareholders. During the year, the Company proposed ₹3.08 crore in dividend outflow and ploughed ₹7.53 crore into the business. This assured stakeholders that the decline in profitability was only the result of a strategic shift and will be progressively corrected.

### RETURN ON EQUITY (%)

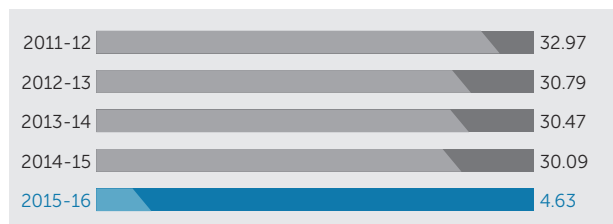
Return on equity declined from

**33%**

in 2011-12 to

**4.63%**

in 2015-16



# Our core competence





RS Software is a zero-debt company with relatively low equity and cash of ₹190.62 crore on its Balance Sheet.

### At the corporate level

**Strong values:** RS Software is a leading global technology solutions provider to the electronic payments industry built around values like honesty, integrity, mutual respect and individual leadership.

**Solutions-oriented mindset:** While engaging with the world's leading payment brands, the Company services the e-retail community by addressing disruptions arising out of emerging technologies.

**Robust financials:** RS Software is a zero-debt company with relatively low equity and cash of ₹190.62 crore on its Balance Sheet.

### At the market level

**Sectoral expertise:** RS Software strategically assesses where the payments revolution is headed, leveraging its experience and competence to provide value-added products and services.

**Market understanding:** RS Software possesses a deep understanding of the global payments landscape, leveraging its exposure to this evolution across more than 20 years.

**Expertise:** RS Software helps clients address challenges emerging from a convergence of payment types,

proliferation in mobile devices, advent of Cloud computing and changes consumer in responsiveness.

**Market awareness:** The Company is continuously abreast of global marketplace changes translating into capability enhancement at its dedicated training centre – RS School of Payments™.

### At the resource level

**Intellectual resources:** RS Software combines youth with experience, ensuring an average senior management tenure of more than five years even as its average employee age is not more than 34 years.

**Manpower proficiency:** The Company comprises over 18% of its workforce with post-graduate degrees and rich industry knowhow, one of the largest such global repositories.

### At the process level

**Quality-conscious methodology:** The Company maintains the highest standards of compliance, security and quality with corresponding certifications (ISO 9001:2008, SEI-PCMM Level-III and ISO 27001:2013).

**Technological backbone:** RS Software complies with ISO27001:2013 norms, marked by round-the-clock availability and 99.99% uptime.



# The Indian opportunity



**1.7x**

Expected growth of Indian fin-tech software and services market by 2020

**2x**

Expected growth of Indian fin-tech software market by 2020

**420**

Investment (USD in million) in Indian fin-tech products industry during FY2015-16

**200**

Fin-tech startups joining the Indian IT ecosystem

**8**

Valuation (in ~USD billion) of India's fin-tech industry

**60%**

Proportion of fin-tech startups focusing on payment processing

## India, transforming

India's GDP growth was 7.6% in 2015-16. The retail sector, growing at a CAGR of 11%, is likely to grow from an estimated USD 600 billion to USD 1 trillion by 2020. Although, e-commerce expenditure in India accounts for less than 2% of the total retail spending, this segment has helped bring unreachable geographies into the national mainstream.

While overall tele-density was 81.8%, mobile tele-density reached a high of 79.8% in November 2015. Concurrently, India exceeded US to emerge as the second largest market for smartphones after China, attributed to an increased availability of easy-to-use and affordable smartphones. Internet penetration increased significantly (34.8% as on March 2016), the number of internet

users estimated at 462 million. In addition, there was a shift in mobile use from voice to data. Mobile internet expenditure rose from 54% to 64% between 2014 and 2015 following the introduction of high-speed affordable 3G and 4G connectivity.

India's rank on the Ease of Doing Business Index rose by 12 in just one year following an improvement in the regulatory framework. These factors

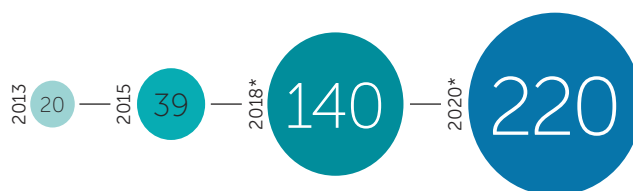
helped PE and VC investments cross USD 20 billion in 2015, a majority in the e-commerce industry. The e-commerce industry is expected to account for the largest component of the Indian internet market with a value of approximately USD 100 billion by 2020.

The Indian B2B e-commerce market potential was valued at USD 300 billion in 2014 and projected to reach USD 700 billion by 2020. The higher B2B profitability is attributed to a decline in heavy discounts, greater emphasis on quality over price and higher procurement volumes.

Besides, a rise in middle-class consumers and evolving shopping habits are adding to online shopping demographics. An increased access to best-in-class products and services at the click of a button even in the remotest of locations can widen the market.

The Indian B2B e-commerce market potential was valued at USD 300 billion in 2014 and projected to reach USD 700 billion by 2020.

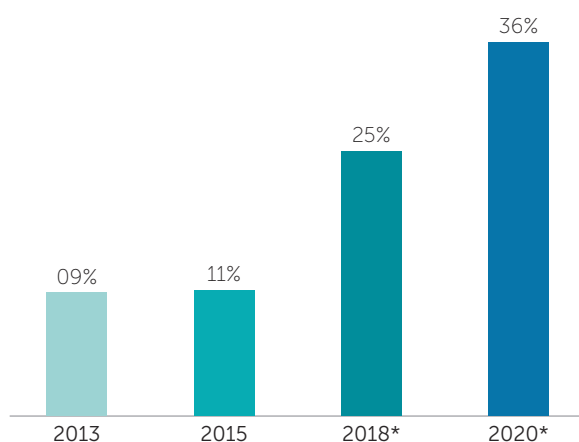
Number of online shoppers in India (in million)



Number of online shoppers in India (includes only B2C e-tail excluding online travel and classifieds)

(Source: Euromonitor, IAMA)

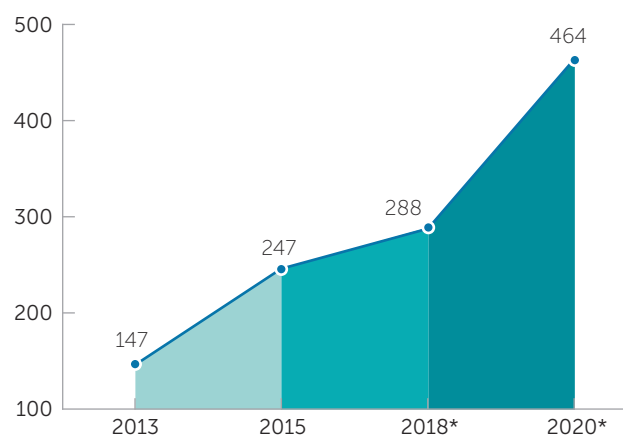
Online shopper of total internet users (as a %)



Online shoppers as a % of internet users in India (includes only B2C e-tail excluding online travel and classifieds)

(Source: Euromonitor, Deloitte)

Average spend per online shopper in India (in USD)



Average spend per online shopper in India (includes B2C e-tail, online travel and classifieds)

While India ranks the lowest in Asia’s internet speeds, data rates in India are twice cheaper than in China and thrice cheaper than in the US.

### Key trends driving e-commerce in India

**Government initiatives:** The Government of India embraced e-commerce platforms to contemporize traditional markets like agricultural produce, among others. The Central Government launched an e-market platform to connect farmers with mandis across various states to market agro-commodities. Besides, flagship initiatives like Digital India, Start-up India, Innovation Fund and Skill India provided a shot in the arm for the e-commerce industry.

■ **Digital India:** Digital India focuses on transforming India into a digitally empowered knowledge economy. The three key areas of intervention comprise building digital infrastructure as a core utility, making essential

government services available round-the-clock and digitally empowering citizens.

■ **Startup India:** This programme intends to build a holistic ecosystem for nurturing innovation by providing funding through a corpus of ₹10,000 crore, creating a startup hub and offering tax exemptions for the initial three years, among others.

■ **Make in India:** This programme aims to improve the business environment in the country, facilitating manufacturing industries, and allowing FDI in key sectors by fostering conducive business environment on the back of research and innovation.

■ **Skill India:** The Government of India has targeted to train 40.2 crore people under the new National Policy for Skill Development by 2022.

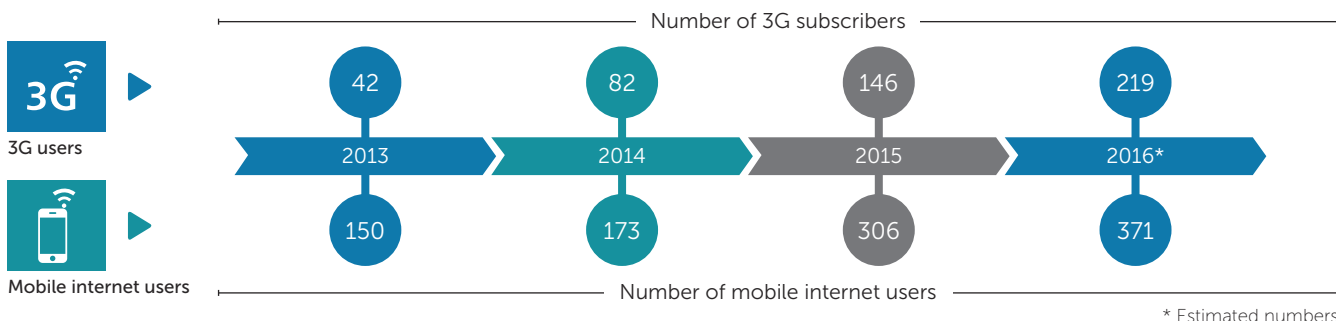
### How will these initiatives impact the e-commerce industry

<p><b>Digital India</b> Proliferation of mobile devices with internet access and the establishment of a national optical fibre network will drive online shopping.</p>	<p><b>Startup India</b> More startups will start setting up shop, especially in the e-commerce space, catering to niche and localized demand.</p>
<p><b>Skill India</b> Dedicated programmes to train personnel keen on becoming a part of the e-commerce industry.</p>	<p><b>India Innovation Fund</b> Promote technological development, the lynchpin of the e-commerce industry.</p>

### Increase in internet penetration

The e-commerce industry in India has been benefited by 3G and 4G services marked by a decline in data tariffs. While India ranks the lowest in Asia's internet speeds, data rates in India are twice cheaper than in China and thrice cheaper than in the US. Government schemes like the National Optical Fibre Network can significantly increase rural internet penetration, providing e-commerce companies the means to tap into a large market.

#### Number of 3G and mobile internet users in India (in million)

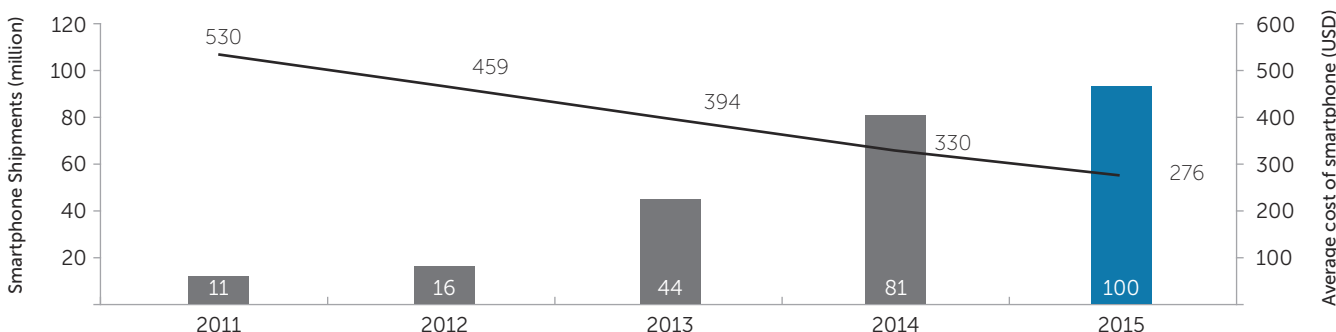


### The smartphone revolution

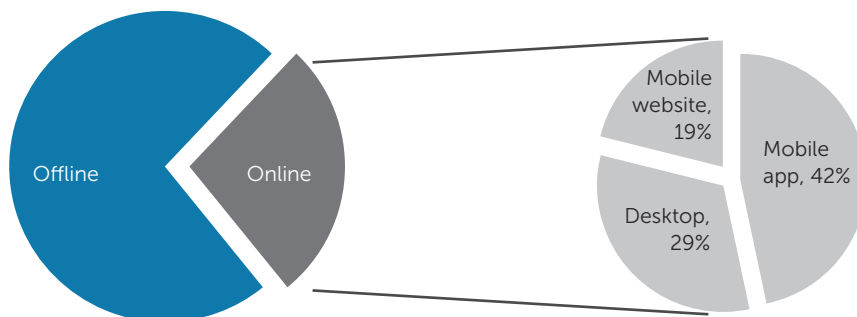
Smartphones are fast replacing feature phones, riding declining prices, rising demand for internet-enabled services and growing accessibility. India has the highest share of mobile based e-commerce sales globally (41%). Leading e-commerce companies indicate that 70-75% of online traffic comes from mobile applications (50% for Flipkart; 70% for Quikr).

#### Smartphone shipments and change in average cost of high-end smartphone in India

##### Smartphone shipments vs. Average cost of smartphones



#### Over 60% of online shopping in India happens on a smartphone



(Source: Media reports, MOSL)

The launch of a unified payments interface by the Reserve Bank of India is set to transform mobile banking and e-commerce by reducing the incidence of failed transactions.

### Evolution of new payment solutions

Cash-on-delivery remains a popular mode of payment for Indian e-commerce transactions.

Cash transactions translate into high administration costs even for e-commerce companies, reducing margins. Hence, digital payment solutions are being increasingly sought.

The Central Government's initiative to extend banking facilities to unbanked Indians through the Jan DhanYojana scheme resulted in the distribution of a significant number of debit cards (over 110 million), providing banking

access to customers via the electronic mode. The introduction of electronic wallets and digital payment products for faster transaction check-in and check-out eased payment processes.

The launch of a unified payments interface by the Reserve Bank of India is set to transform mobile banking and e-commerce by reducing the incidence of failed transactions. The implementation of UPI will enable e-commerce delivery personnel to collect money electronically even for cash-on-delivery transactions. Several e-commerce companies started building apps to facilitate mobile payments using UPI.

**The digital payments market in India**  
Digital payments services in India are expected to grow from USD 40 billion in 2016 to USD 115 billion by 2018.

### The e-commerce market in India

<0.5%

Third party e-wallets used as a mode of payment in India

<1%

EMI used as a mode of payment in India

9%

Net-banking used as a mode of payment in India

13%

Debit cards used as a mode of payment in India

17%

Credit cards are used as a mode of payment in India

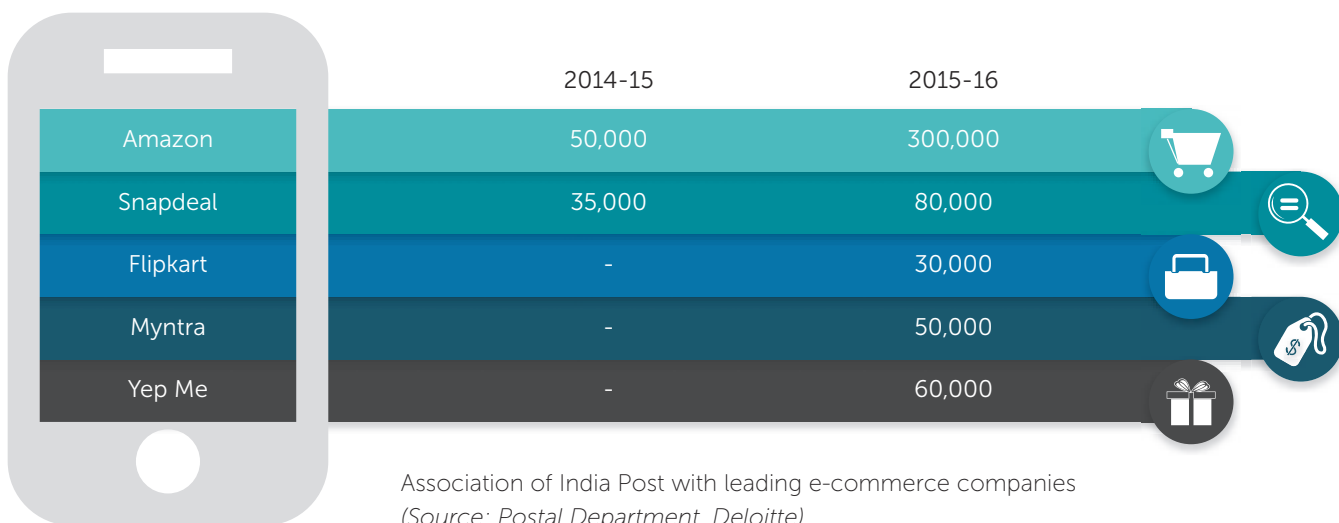
60%

Cash-on-delivery used as a mode of payment in India

## Partnerships in the logistics space

Challenges in terms of handling large volumes, return orders and rigorous customer service have compelled service providers to turn to professional third-party logistics service providers to handle last-mile distribution even as leading e-tailers are strengthening their logistics arms to enhance control over deliveries.

### Number of parcel handled per month by India Post



India Post has emerged as a key service provider when it comes to accessing remote locations and covering untapped markets. Also new-age entrepreneurs are entering the online aggregator market to ensure seamless freight movement across the country.

Even the MSME segment in India is fragmented and unorganized, it still accounts for almost 8% of India's GDP.

### Emergence of MSMEs

Even the MSME segment in India is fragmented and unorganized, it still accounts for almost 8% of India's GDP. With the advent of e-commerce, many MSMEs are exploring the option of marketing products online to access new customers. Interestingly, MSMEs that adopted advanced digital engagement reported annual revenue growth 27% higher than those pursuing offline channels.

The Central Government is attempting to familiarize MSMEs with technology through initiatives like technology centre framework that will provide Cloud-based support. MSMEShopping.com launched by the National Small

Industries Corporation expects to on-board around 10,000 MSMEs in 2016.

### Launch of RS Software India strategy

RS Software won against global competition and is now building India's digital payment infrastructure, which will be the foundation for India to leapfrog into the electronic payments ocean, led by the mobile revolution. India has the potential of enabling every cell phone into an ATM thru P2P transfers. This means a possibility of one billion ATMs. India has the lowest per capita point of sale infrastructure and this could change dramatically with mobile phones enabled at points of sale.

## The Indian fin-tech market space

The Indian fin-tech software and services market is worth ~USD 8 billion and expected to grow 1.7x till 2020.

The Indian fin-tech software products market generated revenues worth USD ~1.2 billion in FY2015-16, and is expected to grow 2x by 2020. The Indian fin-tech industry is expected to grow significantly, driven by an increased demand for mobility and analytics solutions.

The global fin-tech software market of ~USD 32 billion in FY2015-16 is forecasted to reach ~USD 45 billion by 2020, growing at a CAGR of ~7%.

### Evolution of the fin-tech ecosystem in India

FY2015-16 provided an attractive picture in the lending, payments and personal finance space due to the pace with which financial technology (fin-tech) companies have increased across India.

To a large extent, FY2015-16 was a year when established fin-tech companies developed new products

and helped build an ecosystem to broaden the acceptance of new payment options. This eco-system can be divided into three segments— payments, lending (business and consumer) and personal finance.

#### Payments

In FY2015-16, companies in the payments and transaction space worked towards building an ecosystem that would be able to bear the increasing throughput of non-cash transactions via e-wallets and online payments gateways. Over 12-18 months, e-wallets have become popular in India’s large cities, mostly due to a proliferation in taxi aggregation, ticket booking and food ordering services.

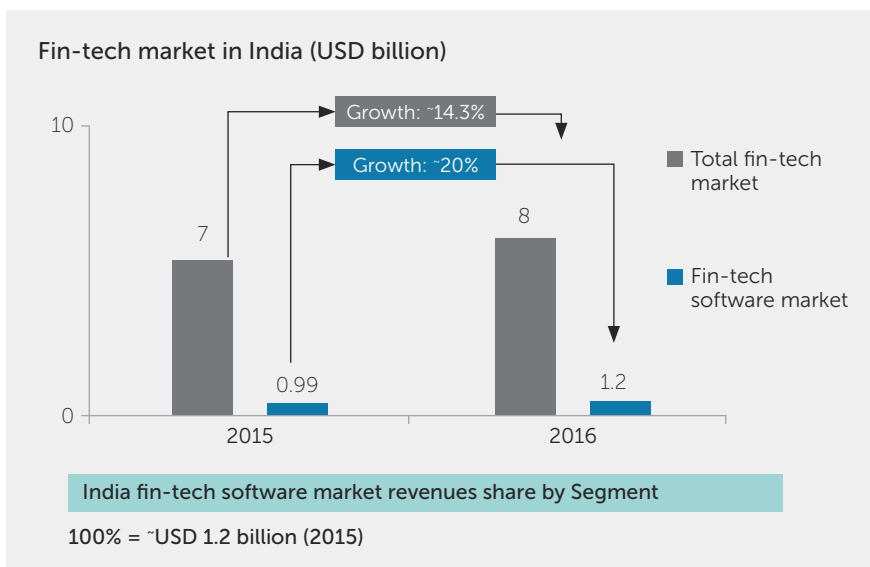
Growth in this segment strengthened, replacing the restricted use of e-wallets and in-app wallets as e-wallets were accepted across multiple e-commerce sites, fledgling merchant outlets and large retail platforms.

These service providers facilitated one-touch solutions instead of the user having to retrace steps to complete a transaction, enhancing payment convenience. Payments gateway and solution companies customized solutions over a standardized approach.

#### Lending

The number of lending companies (apart from banks) increased during the year. Lending in the fin-tech vertical can be categorized across P2P lending, crowd-funding, digital credit to merchants and individuals, and loan marketplace.

P2P lending grew aggressively with nearly 20 such companies being





launched. The penetration is estimated to deepen in India, China and Japan where 60% of the households still remain outside the reach of organized banking.

Crowdfunding companies reported larger volumes. For instance, Ketto, a crowdfunding platform, ten-folded its access to 2,000 projects in a single year following an increased awareness of online transactions.

### Personal finance

Fin-tech companies that come under the broad category of personal finance can be divided into three segments—insurance, investment and money management.

### Outlook

In FY2015-16, banks—big and small—partnered fin-tech companies to provide next-gen products to

consumers even as fin-tech is considered a global threat to formal banking. According to McKinsey's Annual Review of Global Banking 2015, a digital revolution across the coming decade can potentially erase approximately 60% earnings from certain financial products as the fin-tech segment drives prices down and erodes margins of traditional lenders.

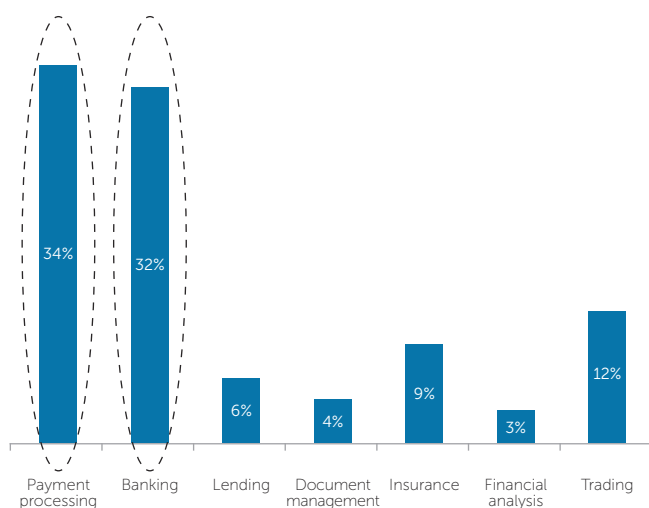
## New channel investments driving the fin-tech market

The following factors strengthened the fin-tech ecosystem.

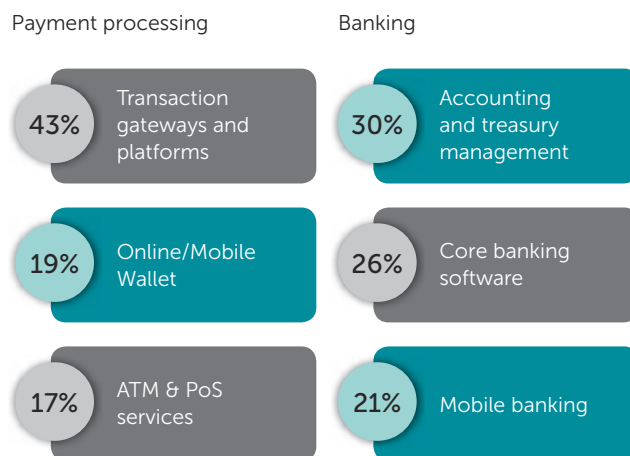
Drivers	Impact
<ul style="list-style-type: none"> <li>■ Proliferation of connected devices</li> <li>■ Growing tech-savvy consumer base</li> <li>■ Increased focus on improving profitability</li> <li>■ Expansion of cutting-edge infrastructure in emerging markets</li> </ul>	<p><b>Arrival of niche fin-tech startups:</b> Caters to the huge demand for mobility solutions</p> <p><b>Development of financial analytics solutions:</b> Helps the BFSI sector manage risks and take data-driven decisions</p> <p><b>Rise of innovative low-cost fin-tech solutions:</b> Offers a pocket-friendly alternative to traditional mechanisms</p>

(Source: Deloitte, Gartner, NASSCOM)

## Segment-wise breakdown of the Indian fin-tech vertical



## Sub-segment wise split (Top 3 emerging areas\*)



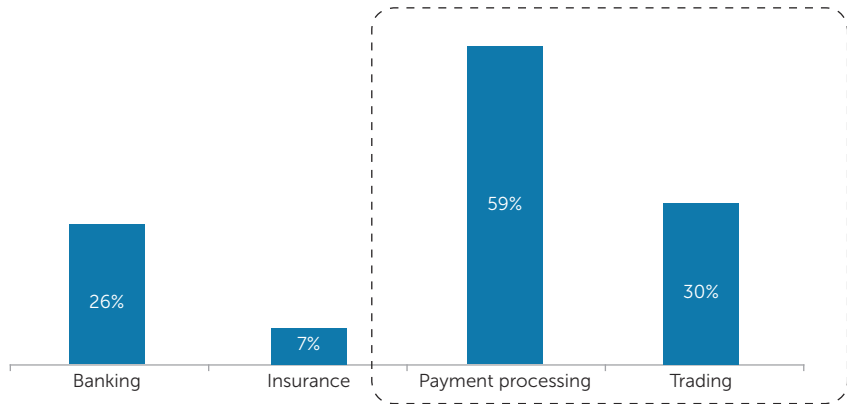
No. of companies (in %)

\*-110 unique companies providing fin-tech solutions are evaluated

(Source: Deloitte Analysis)

The fin-tech industry reported the emergence of as many as 200 start-ups in India, nearly 60% of them focusing on payment processing.

**Segment-wise split of Indian fin-tech start-ups incorporated since 2010 onwards\***



No. of companies (in %)

\*110 unique companies providing fin-tech solutions are evaluated

(Source: Deloitte)

India is moving towards the 'Internet of Things', with the BFSI segment, a lynchpin of the Indian economy, experiencing technology-driven transformation and disruptive innovation. This growth is being driven by the entry of non-traditional players, widening the case for digital banking.

Digital enablement has enhanced the efficiency of the financial services ecosystem, facilitating superior resource utilisation and allowing banks to extend their reach beyond their branch networks. Digitisation also offers customers value-added services (e-wallet solutions, personal finance management tools and a pan-channel customer experience). By digitising processes and engaging customers through digital channels for transaction and sales, banks can achieve up to 30% improvement in sales productivity. Digital transactions can lead to 20% higher CASA balances; data analytics can reduce retail NPAs. The envisioned digitization

of the Central Government, coupled with digital banking, can widen financial literacy and inclusion.

While digital banking is still nascent in India, the Company believes that the digital landscape presents a unique opportunity to reduce costs, attract customers and develop businesses.

**Outlook**

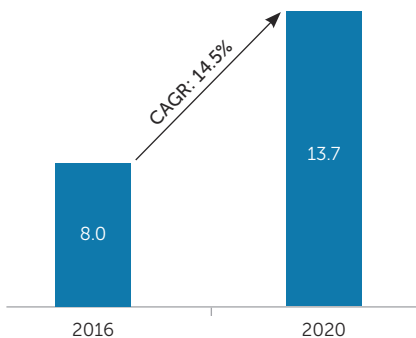
The Indian fin-tech market is expected to grow at a CAGR of 14.5% to report 1.7x growth by 2020.

The demand for transaction gateways and platforms, mobile banking, ATM and PoS services are expected to increase.

The payment processing and trading solutions segment is expected to increase its market share from ~46% to over 55% by 2020.

Telecom, media & entertainment, government and Defence sectors could widen the market for fin-tech solutions by 2020.

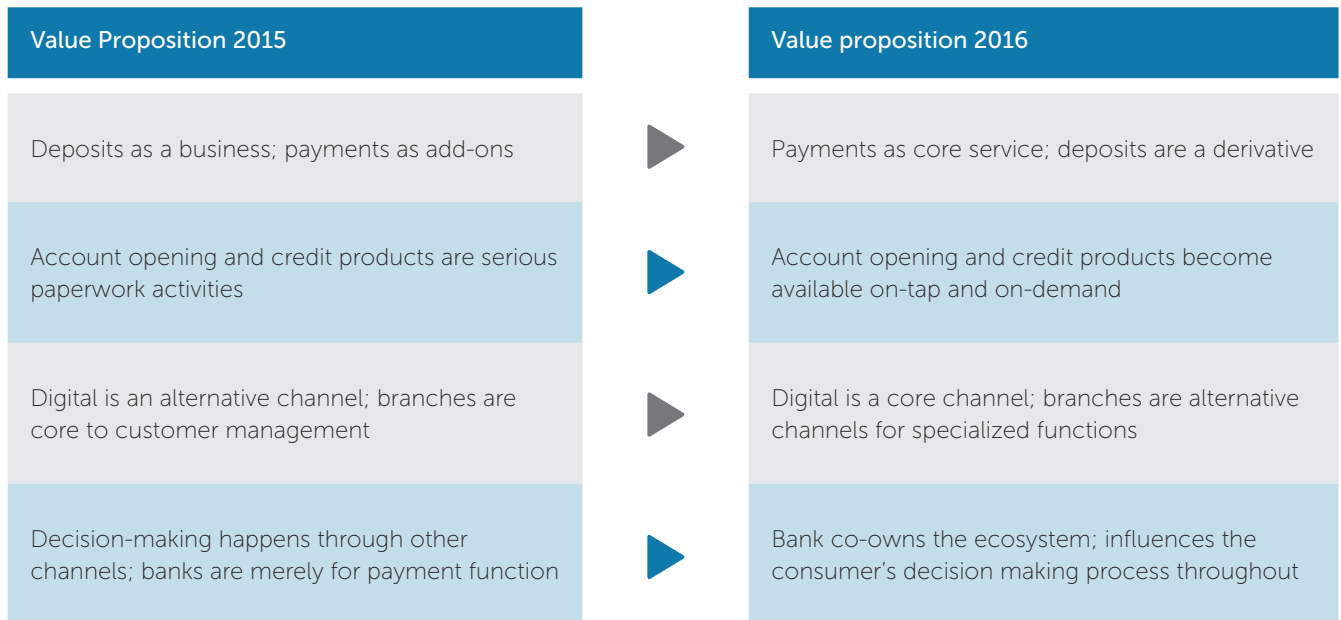
**Fin-tech total market size in India (USD billion)**



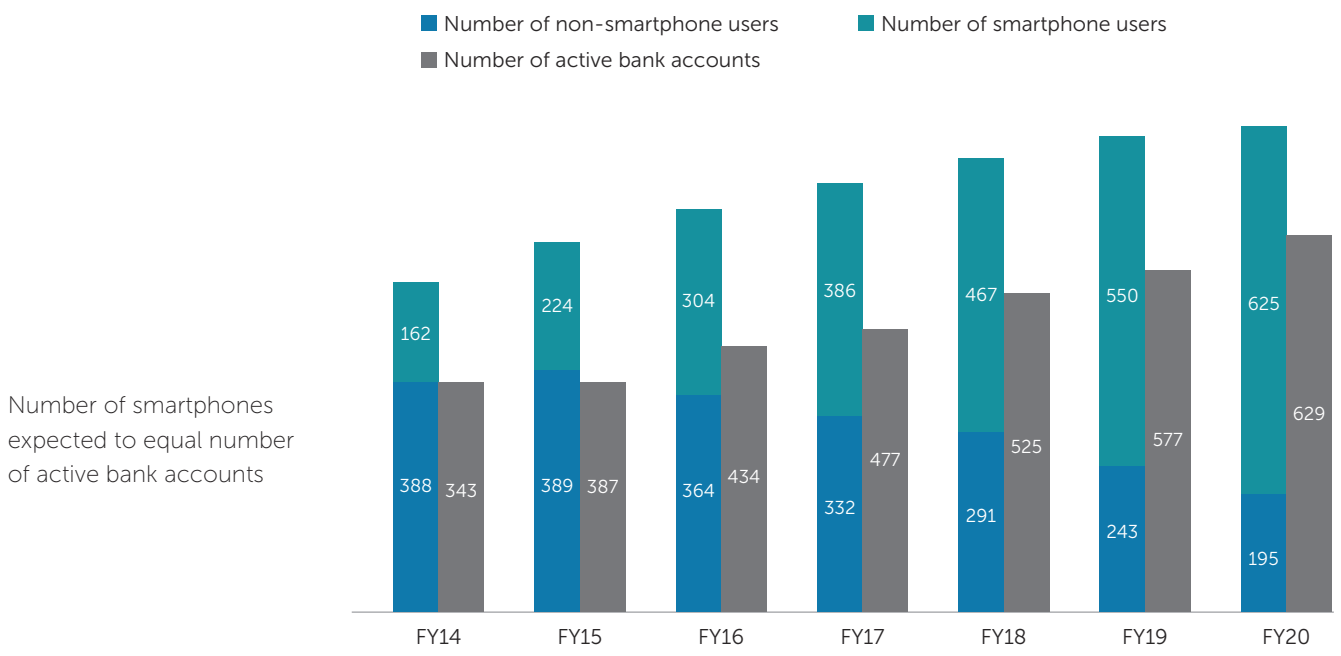
Expected evolution of fin-tech market

## The changing banking paradigm

### Paradigm shift in banks' proposition to customers



### Smartphone users to equal number of active bank accounts by 2020



(Source: BCG Research, MOSL)

# RS Software's role in bridging the **digitisation gap**



India has traditionally remained a cash-centric country, the number of non-cash transactions per person in India standing at less than 10 per year (non-cash transactions per inhabitant in US was 391 in 2013).

## Reasons for divergence

\*Nearly 75 million households are completely excluded from the established banking sector; only about 10% of the entire retail ecosystem in India is equipped with a dedicated card payment infrastructure.

\*For a country like India where 68% of the 1.27 billion reside in rural India, there are only 35,000 rural bank branches with over 200,000 villages outside the core banking network.

However, sweeping changes are emerging, the foremost being a sharp increase in the number of start-ups in the payments domain. The National

Payments Corporation of India is focusing on creating an end-to-end payment infrastructure by granting payment licenses and undertaking initiatives to increase financial inclusion (Jan DhanYojana, DBT and UID, among others).

These initiatives have resulted in a substantial increase in the number of households with bank accounts. Through the UID programme, India has emerged as the only country to offer secure, convenient biometric authentication as a utility service. A unified payment interface will help prepare banks and other financial entities to offer consumer-centric innovation. Besides, a sharp increase in the number of smartphone users has widened the ground for digital payments.

RS Software, owing to its rich sectoral experience, is capitalising on these

phenomena and also catalysing the nation's growth in this space.

### At the core cashless payment

**infrastructure level:** RS Software entered into a contract with the National Payments Corporation of India to build a digital payment platform with the objective to enhance financial inclusion. This unified payment interface will be used by banks to launch mobile payment products across the country and centralize existing billing platforms under a common banner.

**At the bank level:** RS Software built dedicated systems for banks to integrate seamlessly with the UPI.

**At the consumer level:** RS Software worked with banks to build customer-friendly apps.

RS Software is also a key technology provider to the Bharat Bill Payment System, a national initiative to transform the bill payment landscape by offering anytime and anywhere bill payment services to customers. Today, over 90% of bills are paid in cash and by cheque; about 70% in cash at Biller's Own Collection Points (BOCP).

RS Software built in just the last few months, a state-of-the-art digital payment infrastructure (UPI) for India, which is the foundation for what is popularly referred to as the 'whatsapp moment for India in payments'.

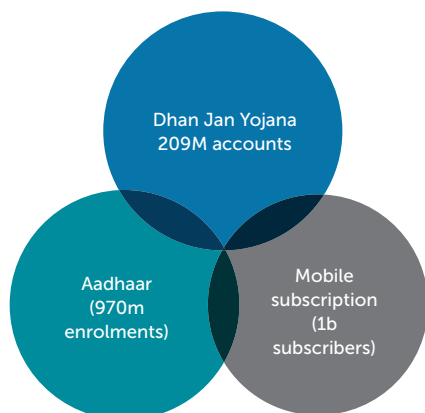
## India Stack

India has built a unified, integrated layer of digital tools and services (or information system highway) called the India Stack. Similar to the creation of the Internet (based on TCP/IP stack), where browsers and apps form

the front end for access, private sector players can build customer-facing solutions that ride on India Stack. A good analogy is Uber, which uses the building blocks of GPS, Google Maps, electronic payment and smartphone - none of which Uber built nor owns - to create a customer-friendly transportation solution.

RS Software, in collaboration with NPCI, built the UPI component of the cashless layer of India Stack. JAM (Jan Dhan, Aadhar and Mobile) is more than a slogan; it is the result of public policy and technology that made this foundation a reality. With this foundation in place, public policy can go further. India Stack is a series of new-age digital infrastructure which, when used together, makes it easier for digital pioneers to run faster and reach more people. Besides, it represents a cashless layer where a single interface for all the country's bank accounts and wallets can democratize payments.

### JAM trinity will drive transaction frequency over the next five years



Source: PMUDY, UIDAI, TRAI, MOSL

## What is the Unified Payment Interface?

The core objective of UPI is to integrate multiple systems into a uniform nation-wide and standardized business process for all retail payment systems. The other objective is to create an affordable payment mechanism leading to financial inclusion.

This is a great moment for banks to transform the nation. Banks can leverage UPI by integrating their web and mobile applications, providing an innovative and superior customer experience. The UPI will empower banks to reach millions of households outside the banking system and convert more than 60% Cash On Delivery (COD) e-commerce transactions into legitimate banking transactions.

The UPI offers an architecture and set of standard APIs to facilitate the next generation of online immediate payments, leveraging trends like increasing smartphone adoption, Indian language interfaces and universal access to data and the Internet, a payment infrastructure completely independent of card networks. RS Software is engaged in this landmark national initiative of building the UPI system with National Payments Corporation of India (NPCI). This infrastructure will be the foundation to achieve Government's vision of digital India and lead us to continually engage for the next several years to achieve inclusion, and equally important for India to compete effectively across the world.

The UPI is expected to help fulfil the Central Government's goal of reducing cash-based transactions and help people transfer money without needing to have bank accounts. It shall allow banks and other players to innovate and offer a superior customer experience to propel easy, instant payments via apps or the web.

### Benefits

- Simplicity and convenience
- Data protection
- Scalable and interoperable
- Innovative
- Low-cost

### UPI. A game-changer

The UPI will only provide the underlying framework while the real innovation will be derived from participating banks and payment service providers. These include:

- Sending collect requests to others (person-to-person or entity-to-person) with pay-by dates to allow payment requests to be snoozed and paid later (before the expiration date) without needing to prematurely freeze accounts.
- Pre-authorising multiple recurring payments using methods similar to ECS (utilities, school fees, subscriptions, among others) with one-time secure authentication and rule-based access.
- Hooking onto various e-wallets. For all practical purposes, the account can be a prepaid payment instrument – literally any repository offered by a regulated entity where money can be held, debited from, and credited to.

# Attractive sectoral numbers

67

Projected growth (%) in India's e-commerce market in 2016 over the previous year.

6

The addition to India's GDP (USD billion) through electronic payments. (Source: Moody's)

8-10

Percent of personal consumption expenditure in India transacted via non-cash methods. (Source: transactives)

23

Size (USD billion) of India's e-commerce market in 2015. (Source: Assocham)

1.4

The number of jobs (million) created in India through electronic payments (Source: Moody's) compared with 4 million the world over, 2011-2015.

65

Per cent of online purchases are paid for via CoD (Cash on Delivery).

38

Projected size (USD billion) of India's e-commerce market in 2016. (Source: Assocham)

0.01

Per cent global growth attributed to increased card penetration compared to real consumption growth of an average 2.3%, 2011 to 2015.

5-8

Per cent cost to merchant in case of cash on delivery. Digital payments bring down this cost.

600

Number of ATMs at Indian post offices, 2015.

11

Number (million) making online transactions the world over, 2011.

40

Per cent y-o-y growth in digital transactions in India. (Source: lamwire)

1000

Number of ATMs at Indian post offices, 2016.

38

Number (million) making online transactions the world over, 2015.

4x

Number of times internet users grew in India compared to the world. (Source: Economic Times)

40

Per cent growth in internet users in India to 277 million users from 2015-16; 33% growth in 2014-15. (Source: *Economic Times*)

38

Billion, the expected size of the Indian e-commerce industry in 2016, up from USD 23 billion in 2015. (Source: *TOI*)

15%

Mobile-driven e-commerce sales in the US.

56

Per cent y-o-y growth in Mobile Internet Penetration. (Source: *IAMAI*)

70

Per cent expected contribution of m-commerce in the total e-commerce pie. (Source: *TOI*).

17%

Mobile-driven e-commerce sales in Australia.

9

Per cent growth rate in global internet users when India is factored into calculations; excluding India, global growth rate is 7%. (Source: *Economic Times*)

88.7

Per cent of online payments that occurred on mobile devices. (Source: *Fortumo*).

21%

Mobile-driven e-commerce sales in the UK.

29.5

Per cent y-o-y growth in smartphone sales in 2015-16 against a global average of 7%. (Source: *Economic Times*)

₹4.5

Lakh crore of investment committed by top CEOs of India and abroad in the Digital India Week initiated by Indian PM Narendra Modi. (Source: *TOI*)

37%

Mobile-driven e-commerce sales in China.

139

Number (in million) of smartphones expected to be sold in India in 2016. (Source: *Economic Times*)

60

Per cent projected financial inclusion for India's unbanked population with the help of digital payments. (Source: *IAMAI*).

41%

Mobile-driven e-commerce sales in India.

BUSINESS DRIVERS

# Sales and marketing **strategy**



## US business

The RS Software strategy is to shift by June 2016 from a legacy dominance of Visa business and pure services offering to include product, platform and services offerings.

In developed markets, we continue to enhance the distribution for our IT services business, with an exclusive focus on the payments domain. The key focus will be on Networks and Acquiring, Integrated payments, faster payments and technology solutions to provide replacement technology for all stakeholders in retail payments industry.

The marketing strategy will translate in four specific areas: Digital payments, Testing, Analytics and Building of core payment infrastructure to facilitate authorization, clearing and settlement of electronic payment transactions,

along with risk management, security and dispute management.

## Emerging markets

Become a key player in emerging markets to accelerate adoption of retail electronic payments, including build/enhance/maintain national payment switches. Digital payments (proactive initiative to take innovation trends from developed markets to emerging markets) likely to be the key focus. The India market in particular to be pursued starting fiscal 2016-17. The target to become a distinguished company providing technology solutions for payment networks across developed and emerging markets.

The year 2015-16 was dominated by transition away from single client concentration and entering new clients. The Company expanded its





The Company partnered the NPCI in building the UPI; it played a key role in the establishment of the Bharat Bill Pay System.

sales and marketing infrastructure, adding 10 new clients.

Going ahead, RS Software targets to grow its customer base through continued investments in sales and marketing, and leverage existing partnerships, and building new alliances to accelerate reach into the market. This is a large commitment of the Company for its growth strategy and investments are committed accordingly to achieve organic growth.

### India business

RS Software has been a global IT services company deriving over 98% of its revenue from outside India. However, the changing Indian payments landscape has unleashed large opportunities. Decisive governmental initiatives like the UPI will help online payments become

more accessible for the masses. RS Software possesses 25 years of experience in the payments industry (core banking, mobile banking, networks, gateways, acquirers, merchants, among others), allows it to deliver exactly what the customers demand while its end-to-end domain expertise helps customers fetch better returns on their investments.

In 2015-16, RS Software executed digital payment infrastructure building for India (Unified Payment Interface). The Company is in the process creating a standardized set of APIs for its unified interface, which will allow payments across networks using authentication methods like passwords, PINs, tests, among others. The Company's competence will empower it to address multi-factor authentication issues. This infrastructure, once operational, will

accelerate the adoption of digital payments and financial inclusion in India.

The Company partnered the NPCI in building the UPI; it played a key role in the establishment of the Bharat Bill Pay System.

Sweeping changes are being witnessed within the Indian payments sector, the foremost being the increase in start-ups in the payments domain. The National Payments Corporation of India is creating an end-to-end payment infrastructure by granting payment licenses and undertaking initiatives to boost financial inclusion (Jan DhanYojana, DBT and UID, among others). In this environment, the Company is optimistic of prospects, building its technology and domain expertise in sync with emerging fin-tech trends.

BUSINESS DRIVERS

# Developing **knowledge capital**



The global payments and settlement system landscapes are continuously changing.

There is an emphasis on reducing transactional complexity. E+M commerce has altered the way transactions transpire on the internet. The youth of the country is becoming tech-savvier. There is a growing need for competent payment solution providers who can shrink the time-to-market for new product and service introductions, address changes emerging from disruptive technologies and payment methods, and possessing robust domain credentials in acquiring processors, issuers, merchants and payment networks - a solution provider like RS Software.

Over the years, RS Software has distinguished itself by staying abreast of emerging technologies and helping clients expand their digital payments presence. RS Software has done so by improving project delivery competence and understanding of new-age methodologies and processes. The RS School of Payments conducts relevant induction training, fundamental courses and detailed courses across verticals (switching and authorization, clearing and settlement, dispute management and acquiring, among others) before the professionals can be deployed across live projects. The RS Payments Lab possesses a credible record in the development of world-class payment solutions, reinforcing its position as a global thought leader.

### RS School of Payments

The RS School of Payments maximizes productivity and minimizes learning curves on the back of a best-in-class

knowledge management system that focuses on business functions, technologies and customized strategies.

The RS School of Payments conducts ongoing employee courses covering the entire payment spectrum – from basic to specialized in niche areas (tokenisation and API). Employees participate in core and advanced classes crafted by industry experts and subject matter experts. The Company's RS School of payments is highly respected and it conducts training session for its clients who themselves are leaders in payments industry.

### RS Payments Lab

The RS Payments Lab plays a critical role in exploring proofs-of-concept and developing reference architecture in new technologies (mobile, analytics, test automation and tokenization) well before the customer begins to use them. This empowers RS Software to propose solutions to customers which enhance productivity, reduce costs and reinforce quality, strengthening the customer's profitability and satisfaction. Over the last two years, the RS Payments Lab invested in the use of open source platforms in analytics (Hadoop), mobile (Android, iOS) and test automation (Selenium).

The Company has built an encompassing management framework that serves as a repository of sectoral knowledge comprising customer interactions, market research, expert opinions, research reports and webinars that are white-labeled and curated in a knowledge centre supported by a search facility.

As e-commerce grows faster than in-store transactions, nascent payment technologies like payments, using digital devices, will become the norm across major and developing markets. The Company will continue developing its expertise while focusing on core processing areas like advance payments and security, data management and analytics, and automation.

### Growing the intellectual capital

Over the years, RS Software strengthened its domain knowledge through the pillars of RS School of Payments, knowledge management systems and RS Innovation lab for payments. The Company is driven by an entrepreneurial mindset and willingness to embrace challenges. The Company's competitiveness is driven by a rich people pool who are encouraged to engage in constant learning.

The RS Payments Lab plays a critical role in exploring proofs-of-concept and developing reference architecture in new technologies (mobile, analytics, test automation and tokenization) well before the customer begins to use them.

BUSINESS DRIVERS

# Enhancing the quality of deliverables

## Vigilant and compliant

- All projects and processes are audited periodically
- Certified for ISO 9001 and ISO 27001
- Compliance and surveillance audits conducted biannually by DNB and BVQI
- Projects tracked weekly; relevant observations and defects logged
- Annual FISAP assessment by a third party (Deloitte & Haskins)

RS Software has developed a fail-safe mechanism to test project deliverables before hand-over. The Company's robust testing team is backed by an internal audit group to verify procedural adherence. The Company enhanced customer delight through defect-free, on-time and cost-competitive deliveries.

In 2015-16, RS Software was largely focused on benchmarking its procedural architecture with globally-accepted management practices. During the year under review, the Company extended this competence to the area of digital payments. This benchmarking was critical owing to engagements with different customers and regulators.

The Company applied for a PCI accreditation to certify its digital

platform (software and hardware) security. The Company extended its focus from software acquisition to development – with an emphasis on validation, performance testing, maintenance and scalability. It undertook several process improvements, enabling intranet-based online defect prevention, implementation of RS Governance and development of the software database to increase effectiveness, accessibility and visibility.

The Company intends to reach more customers and implement a more detailed granular quality and auditing review. The Company intends to graduate to the Six Sigma certification by using lean methodologies to reduce process wastage and defects.

# Addressing business risks

RS Software identifies and analyses potential risks to take adequate precautionary steps, thereby minimising losses and maximizing realisations.

## Could an excessive dependence on a single large client affect growth?

During 2015-16, the Company addressed the most important risk to its business – dominance of a single client. This is the most important positive development for the growth strategy of the Company. This strategy

empowers the Company to capitalize on digital commerce and digital payments opportunities, and equally important in building and maintain country payment infrastructure. The management looks at the short-

term negative impact on its revenue as a blip in the long-term future of the Company. The Company has a successful phoenix-like track record in 'rising from the ashes'.

## Could attrition in a knowledge-driven space affect competitiveness?

RS Software provides a stimulating workplace where employees are adequately empowered in terms of decision-making, involvement and career progression.

RS Software invests in skill

replenishment and renewal through the RS School of Payments and RS Payments Lab. The Company created a knowledge management system that is time-tested and proven for accelerated learning. The ongoing

transformation within the Company was a result of a focus on emerging technologies. The talent pool finds this as an exciting path to career development

## Could growing competition (from start-ups as well as existing players) affect business sustainability?

RS Software has maintained a singular focus on the electronic payments domain, which has translated into in-depth understanding. This is vindicated by the fact that the National Payments Corporation of India partnered RS

Software to build a digital payments enablement platform to support the growth of online payments and catalyse financial inclusion.

To hone skills in emerging

technologies, the Company intensified its training and development, allocating substantial investments in the RS School of Payments and RS Payments Lab.

## Can an overt dependence on the payments sector affect growth in the event of a decline in the vertical?

Much of the growth in the electronic payments segment is being derived from the aggressive growth plans of downstream e-commerce and m-commerce players, financial inclusion focus by regulators across the globe, along with emerging disruptive technologies facilitating user ease. The technology trends are being supported by the new generation's

eagerness to engage with commerce or personal needs anytime and anywhere.

The National Payments Corporation of India is focusing on the creation of an end-to-end payment infrastructure by granting payment licenses and undertaking farsighted initiatives to boost financial inclusion (Jan Dhan

Yojana, DBT and UID, among others). Growing internet connectivity and increasing preference for online shopping via smartphones are likely to propel growth.

RS Software, owing to its domain expertise within the payment space, is playing a pivotal role in the Indian digital payments revolution.

# Board of Directors



**RAJ JAIN**

Chairman and Managing Director

Mr. Jain leads RS Software to achieve its vision in providing the leadership of being the global leader in providing technology solutions for the electronic payments industry. The Company in its successful journey has to its credit several metamorphic transformations that enhanced the Company's brilliant foray into its chosen niche of Electronic Payments. Raj, having been a key architect to this model, led the Company to contribute with mission critical projects for its clients.

Mr. Jain, an entrepreneur par excellence co-founded the fourth chapter of Young Presidents Organisation in the heart of the Silicon Valley. YPO is a global network of young chief executives that connects 18,000 peers and their families in more than 100 countries to learn, exchange ideas and address the challenges leaders face today.

Mr. Jain was elected Chairman of NASSCOM in 1999 and in the same year, acknowledged by Ernst & Young as one of the 'top-20 Outstanding Entrepreneurs of the Year'. He is also a member of the TiE chapter in Kolkata. TiE's mission is to foster entrepreneurship globally through mentoring, networking, and facilitating wealth creation.

Mr. Raj Jain after receiving his BS and MBA degrees in the United States, left his job as a software systems analyst in Los Angeles, California and returned to India and incepted RS Software (India) Limited with the goal of providing quality software services to international markets. With more than 30 years of professional experience, Mr. Jain has revolutionized the domain-focused model of IT outsourcing.



**R. RAMARAJ**

Director

R. Ramaraj is an icon in his field. He was recognized as the 'Evangelist of the Year' at the India Internet World Convention in September 2000 and voted 'IT Person of the Year' in a CNET.com poll in India that same year. Mr. Ramaraj was invited by the UN Secretary-General Kofi Annan to be a member of UN's Working Group on Internet Governance (WGIG) and was the Co-Founder and CEO of Sify Limited, the pioneer and leader company in Internet, networking and e-commerce services in

India. Mr. Ramaraj is the Senior Advisor at Sequoia Capital, a member of the Global Board of Trustees of TiE (The Indus Entrepreneurs) and the first Indian to be invited to serve on the Board of Directors of ICANN (Internet Corporation for Assigned Names and Numbers). He holds a B.Tech in Chemical Engineering from the University of Madras as well as an MBA from the Indian Institute of Management, Calcutta.



**SHITAL JAIN**

Director

Shital Jain brings to our Board more than 31 years of experience with CitiBank, one of the world's largest financial services providers. Mr. Jain's assignments with CitiBank involved work in Hong Kong, Taiwan, the Philippines, Thailand, and Canada. He played a lead role in establishing the consumer credit practice for CitiBank in India. Mr. Jain remains

active in the financial services industry participating in consulting assignments worldwide, including ongoing projects in Thailand and Indonesia. Mr. Jain is a Fulbright scholar, receiving his MBA from Indiana University, where he was elected to the Beta Gamma Society, whose membership includes the top-25% of MBAs in the US.



**RICHARD LAUNDER**

Director

Richard Launder has more than 20 years of experience in the payments industry with strengths in sales, marketing and operations. As a managing director in Europe, Middle East and Africa for one of the largest software companies in the payments industry, Mr. Launder generated more than USD 130 million in revenue by developing a distribution model for the region based on

acquisitions, direct operations, joint ventures, distributors and sales agents. He is expert in strategic selling, building effective sales teams and marketing within diverse markets and cultures. Mr. Launder was added to the RS Software board to help the Company continue to develop growth strategies for the business.



**SARITA JAIN**

Director

Sarita Jain has been a Director on the RS Software Board since the Company's inception in 1989. In addition to possessing exemplary administrative,

communication and organizational skills, Mrs. Jain holds a master's degree in English literature and an undergraduate degree in Mass Communication.

# Senior executive profiles



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Mr. Jain, an entrepreneur par excellence co-founded the fourth chapter of Young Presidents Organisation in the heart of the Silicon Valley. YPO is a global network of young chief executives that connects 18,000 peers and their families in more than 100 countries to learn, exchange ideas and address the challenges leaders face today.

Mr. Jain was elected Chairman of NASSCOM in 1999 and in the same year, acknowledged by Ernst & Young as one of the 'top-20 Outstanding Entrepreneurs of the Year'. He is also a member of the TiE chapter in Kolkata. TiE's mission is to foster entrepreneurship globally through mentoring, networking, and facilitating wealth creation.

Mr. Raj Jain after receiving his BS and MBA degrees in the United States, left his job as a software systems analyst in Los Angeles, California and returned to India and incepted RS Software (India) Limited with the goal of providing quality software services to international markets. With more than 30 years of professional experience, Mr. Jain has revolutionized the domain-focused model of IT outsourcing.



**BIBEK S DAS**

EVP, Business Development

Bibek S Das is Executive Vice President for all market facing functions at RS Software. With over 24 years of consulting and outsourcing experience in the Electronic Payments and Retail industry segments, Bibek has been providing leadership in almost all areas of corporate governance, such as customer delivery, account management, pre-sales and R&D.

Bibek has been part of the executive leadership team that was instrumental in achieving an accelerated growth for our company, successfully leading multi-million dollar customer engagements, driving account acquisition and building deep customer relationships. He has managed a gamut of activities ranging from business development, marketing & account management to software project management, development of

business systems and quality systems implementation.

Prior to this, Bibek has worked for Payments, E-Commerce and Retail industry leaders like PayPal, Walmart.com and Kohls.com. He led enterprise-wide, multi-million dollar strategic programs in PayPal to re-architect and implement a services-based mid-tier payments platform. He also founded his own internet-based payment company where he successfully architected, developed and launched a cloud-based payment service.

Bibek holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree in Systems Engineering and Management from the Indian Institute of Technology (IIT), Kharagpur, India. He operates from the US headquarters of RS Software in Milpitas, CA.





**TAPAN K BISWAS**  
EVP, Operations

Tapan K. Biswas is Executive Vice President of Operations at RS Software. In addition to being part of the executive team responsible for the overall direction of the business, he provides leadership for delivery, operations, human resources and sales. Tapan joined RS Software in 2016 bringing 25 years of experience in IT services, consulting, product implementation and SaaS-based delivery in the banking, telecom, retail and pharmaceutical sectors in North America, Latin America, Europe and India.

Tapan has been involved in payments for more than a decade. He was a key player in the roll out of Verified by Visa, MasterCard Secure Code and JCB J-Secure programs. He has worked with several Fortune 500 customers including Visa, MasterCard, JP Morgan, Citibank, Barclays, HSBC, RBS, First Data,

Metavante, WorldPay, Amazon, Target, BP and Kohls.

Tapan worked in the United States for 15 years before returning to India in 2009 to start his own venture in the area of digital signage. In the U.S., he worked at Mastek, Arcot Systems (now part of Computer Associates) and Wipro in delivery, pre-sales and sales roles. In 2010, Tapan rejoined Wipro in Bangalore as the head of delivery for their Enterprise Security Division. Before joining RS Software, he was working at Happiest Minds Technologies as the Senior Vice President and Chief of Delivery.

Tapan holds a B.Tech degree in Computer Science and Engineering from IIT, Kharagpur and an MBA from IIM, Ahmedabad. He was also recognized as a National Talent Scholar by the Government of India in 1983.



**VIJENDRA SURANA**  
CFO and Company Secretary

Vijendra Surana has 20 years of experience in Strategic Management, Corporate Planning and Financial Management including Financial Planning, Budgeting, Accounting and Corporate Secretarial functions in varied sectors including Merchant Banking, Financial Services, Information Technology, Tea, Power, and International Trade.

At RS Software he is responsible for financial accounting, budgetary management, capital structure, treasury functions, and legal compliances. Over the last seven years he has helped build comprehensive strategies and tactics based on the financial needs of the organization. Diligent financial management through operational efficiencies & process improvement

have ensured corporate governance and business continuity for customers leading to significant improvement in the performance of the Company.

Prior to RS Software, Vijendra worked for VISA International as CFO & Company Secretary. He started his career with leading merchant bankers Prudential Capital Markets. During his career, he was associated with leading businesses such as Srei and Ispat and was also part of ITES venture Teaauction.com in early 2000.

Vijendra is a B.Com (Hons.) from St. Xaviers College Kolkata. A qualified MBA, he is an accredited Chartered Accountant (FCA), Company Secretary (ACS) and Cost & Management Accountant (ACMA).



**ASHOK GAUR**

Vice President, Operations and Productivity Enhancement

Ashok Gaur has an engineering degree in Computer Science. His 25-year long career in the financial services technology outsourcing industry includes experience in pre-sales, business development, service delivery, customer relationship management, program management and operations. He has worked in the Americas, Europe, Middle

East, India and other Asian countries. He has a strong understanding of quality processes and has been involved in multiple implementations of CMM, CMMI and PCMM Level-5 practices.

Prior to joining RS Software, Ashok has worked with TCS, Polaris, CSC and Xchanging in multiple roles.



**PRASANTA CHAKRABORTY**

Vice President Corporate

Prasanta Chakraborty holds a degree in Electronics and Communications and has served in a variety of leadership roles with major global corporations delivering large scale outsourcing deals, managing key customer accounts and overseeing business development. During his two decade-long career, he has

worked in multi-cultural environments executing projects around the world. At RS Software he leads the Account Management and Business Support groups globally, and ensures the highest quality of pre-sales and post-sales experience for the customers.



**SUMIT MISRA**

General Manager

Sumit Misra has the distinction of serving major companies in the IT outsourcing industry working as an engineer, project lead and project manager. During a professional career that spans 24 years, Sumit has helped leading companies in the payment industry determine technical strategies to build competencies that best fit the needs of their customers. At RS

Software, Mr. Misra strengthens and extends our position as a leader in the payments industry by managing the RS School of Payments and the RS Payments Lab, enhancing our domain expertise by instituting best practices in knowledge management. Sumit holds a Master's degree in Electronics and Telecommunication Engineering.



**ANIRUDDHA RAI CHAUDHURI**

General Manager – Business Operations

Aniruddha Rai Chaudhuri is Head of Business Operations at RS Software, responsible for overseeing the physical and digital infrastructure of the Company as well as Enterprise Resource Planning and MIS. He brings more than 23 years of experience driving operational efficiency through a high performance workplace and creating business value for clients in an IT outsourcing industry that continues to evolve. Mr. Chaudhuri is responsible for determining the current and future enterprise infrastructure

needs, and oversees the design and implementation of information systems required to support them. With a focus on benchmarking and developing best practices within the organization, his depth and range of experience encompasses business process efficiency, software development, project management, quality assurance, compliance, and people management.

Mr. Chaudhuri holds a Science degree and is a Certified Quality Analyst from QAI in the United States.



**SANJAY GUHA**

Deputy General Manager

Sanjay Guha has significant experience delivering large complex projects to leading organizations in the electronic payments industry in the US, Europe and India. His expertise includes the credit card segment, merchant boarding, agent residual management as well as chargeback and dispute management. In a career that spans more than 24 years, Sanjay has worked as a developer, project manager and business analyst. At RS Software Mr.

Guha provides the entrepreneurial leadership necessary to expand our world-class delivery organization, which is vital to our vision of being the global leader in providing technology solutions to the electronic payments industry. Sanjay holds a Master's degree in Science from Jadavpur University, Kolkata and is a Project Management Professional certified through the Project Management Institute.



**KALLOL GHOSH**

Deputy General Manager

In a career that covers nearly two decades, Kallol Ghosh has become expert in delivering complex projects across geographies and cross-cultural teams involving multiple systems in mission-critical, high volume, transaction-processing environments. This experience has provided him with a broad skill set related to understanding, defining, implementing and replicating methodologies that enhance the effectiveness, efficiency and scalability of mission critical systems in core areas of the electronic payments industry.

He also has substantial business expertise in the downstream applications by virtue of being closely associated over the years with different business lines which handles large volumes of data and using them to generate business value. At RS Software, Mr. Ghosh heads our delivery of solutions for systems that process several trillion dollars of transactions across the globe. He has a degree in Science and holds a Master's degree in Business Administration.



**INDRANI MUKHERJEE**

Senior Manager

The focus of Indrani Mukherjee's career has been on analysing and understanding organizations from the perspective of its various stakeholders. During her 24-year career, she has interfaced with customers from around the world to help develop an understanding of how to effectively communicate corporate messaging across different cultures.

Her work with the media and industry associations has provided her with a unique understanding of how a company is perceived within the industry. At RS Software, Ms. Mukherjee manages our corporate communications for internal and external audiences. She holds a degree in Psychology and has a diploma in Software Systems Development.

## R.S. Software (India) Limited

(CIN: L72200WB1987PLC043375)

Registered Office & Corporate Office: 'FMC FORTUNA' 1st Floor, A-2, 234/3A, A.J.C. Bose Road, Kolkata - 700 020  
Phone Nos.: 033 22876254 / 6255 / 5746, FAX No.: 033 22876256, Company's website: [www.rssoftware.com](http://www.rssoftware.com)

### Notice to Members

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of R. S. Software (India) Limited will be held on Thursday, July 21, 2016 at 11:30 a.m. at RABINDRA TIRTHA, 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata – 700 156 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statement) of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors (the 'Board') and Auditors thereon.
2. To declare a final dividend @ 20% i.e. ₹1 per equity share for the financial year ended March 31, 2016.
3. To elect a Director in place of Mr. Rajnit Rai Jain (holding DIN 00122942), who retires by rotation and, being eligible, seeks re-appointment.
4. To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to pass with or without modification(s) the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder as amended time to time and pursuant to the recommendations of the Audit Committee of the Board of Directors Chaturvedi & Company (Registration No. 302137E) be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and that the Board of Directors be and are hereby authorized to fix at such remuneration as may be determined by the Audit Committee and as to be agreed upon between the Auditors and the Board of Directors of the Company".

#### SPECIAL BUSINESS

5. To approve Company's Employee Stock Option Scheme 2016 (ESOP Scheme 2016) and in this regard to consider and, if thought fit, to pass, the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and pursuant to the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 2009 ("the ESOP Guidelines") (including any statutory amendment, modification or re-enactment to the Act or

the ESOP Guidelines, for the time being in force) and SEBI (Share Based Employee Benefits) Regulations 2014 (including any statutory amendment, modification or re-enactment to the Act, for the time being in force), on recommendation of the Nomination and Remuneration Committee and the Articles of Association of the Company with the consent of the Board of Directors the proposed Employee Stock Option Scheme 2016 (ESOP Scheme 2016), for the benefit of present and future permanent employees of the Company and its director(s), whether whole time director or not but excluding independent directors, be and is hereby approved as per the salient features mentioned in the explanatory statement annexed herewith and same be implemented through ESOP Trust, provided that the total number of options that can be granted under ESOP Scheme 2016 shall not exceed the ceiling of 10,00,000 (Ten Lac) Options, convertible into equivalent number of equity shares of the Company.

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and pursuant to the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 2009 ("the ESOP Guidelines") (including any statutory amendment, modification or re-enactment to the Act or the ESOP Guidelines, for the time being in force) and SEBI (Share Based Employee Benefits) Regulations 2014 (including any statutory amendment, modification or re-enactment to the Act, for the time being in force), on recommendation of the Nomination and Remuneration Committee and the Articles of Association of the Company with the consent of the Board of Directors the proposed Employee Stock Option Scheme 2016 (ESOP Scheme 2016), for the benefit of present and future permanent employees of the Subsidiary Companies located in India or in Abroad and its director(s), whether whole time director or not but excluding independent directors, be and is hereby approved as per the salient features mentioned in the explanatory statement annexed herewith and same be implemented by the Company,

provided that the total number of options that can be granted under ESOP Scheme 2016 shall not exceed the same ceiling of 10,00,000 (Ten Lac) Options as aforesaid, convertible into equivalent number of equity shares of the Company.

**RESOLVED FURTHER THAT** the said Securities may be granted/allotted directly to such employees/directors of the company and its Subsidiaries in accordance with the ESOP Scheme 2016 framed as tabled before the Board.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company, the number of above mentioned options shall be appropriately adjusted.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted upon exercise under the ESOP Scheme 2016, on the Stock Exchanges where the Company's shares are listed as per terms and conditions of the agreement entered into with Stock Exchange erstwhile the Listing Agreement and SEBI Listing Regulations, 2015 and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company, to make and carry

out any modifications, changes, variations, alterations or revisions in the terms and conditions of the ESOP Scheme or to the terms of Options granted and/or vested but not exercised, including modifications or changes to the quantum and price of such Options, from time to time, which are not detrimental to the interests of the Employees and the Company and are in accordance with applicable laws and regulations prevailing from time to time, as it may deem fit, necessary or desirable, without requiring the Board to secure any further consent(s) or approval(s) of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

**RESOLVED FURTHER THAT** for the purpose of bringing into effect and implementing the ESOP Scheme and generally for giving effect to this resolution, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to settle any issues, questions, difficulties or doubts that may arise in this regard;

By Order of the Board of Directors

**Registered Office:**

234/3A, A.J.C. Bose Road  
Kolkata – 700 020  
April 23, 2016

**Vijendra Surana**  
CFO & Company Secretary  
(Membership No. 11559)

**NOTES:**

- a. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND, TO VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other member or shareholder.

**THE INSTRUMENT OF PROXY, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.**

- b. The statement, pursuant to section 102 (1) of the Companies Act, 2013 in respect of the Special Business under item no. 5 of the Notice is annexed hereto.

- c. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- d. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No.21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience in future. (next page continuation)
- e. The Register of Members and Transfer Books of the Company will remain closed from July 15, 2016 to July 21, 2016 (both days inclusive).
- f. Members who have not yet encashed their dividend warrant(s) issued by the Company since the financial year 2010-11 are requested to claim the amount of dividend from the Company or its Registrars and Share Transfer Agent immediately along with relevant Folio No. or DP ID and Client ID, for issuance of duplicate / revalidated dividend warrant(s).
- g. Subject to the provisions of Section 123 of the Companies

- Act, 2013, final dividend as recommended by the Board of Directors, if approved at the meeting, will be paid within 30 days from the date of ANNUAL GENERAL MEETING:
- (i) To those Members, holding shares in physical form, whose names appear on the Register of Members of the Company after giving effect to all valid request for transfers in physical form lodged on or before Thursday, July 14, 2016 with the Company and / or its Registrar and Transfer Agent; and
- (ii) In respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Thursday, July 14, 2016.
- h. Members holding shares in physical form are requested to immediately notify change in their addresses, if any, to the Registrar and Transfer Agent of the Company, quoting their Folio Number (s) with a self-attested copy of address proof, i.e. Voter Identity Card, Electric / Telephone (BSNL) Bill or Driving License or Passport before July 14, 2016.
- i. In terms of Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 of Securities and Exchange Board of India for making cash payments to the investors Companies shall mandatorily print the bank account details of the investors on such payment instruments. Therefore the Members holding shares in physical form are requested to send to the Registrar and Transfer Agent of the Company, before July 14, 2016 the Bank Mandate (providing details of name and address of banker, branch, PIN code and particulars of the bank account) or changes therein, if not provided earlier, under the signature of the Sole /First holder quoting their Folio Numbers. This information will be printed on the dividend warrants. Members may also avail of the Electronic Clearing Services (ECS) mandate facility provided by the Company.
- j. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- k. Members holding shares in dematerialized mode are requested to intimate the changes pertaining to their bank account details, NECS mandates, email addresses, nominations, change of addresses, change of names etc. if any, to their Depository Participant (DP) only before July 14, 2016. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
- l. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least ten days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
- m. All the documents referred to in the Notice will be available for inspection by the Members at the Registered / Corporate Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days from the date hereof up-to the date of the Meeting.
- n. Shareholders holding shares in demat mode and desirous of receiving the Annual Report in physical form may visit the web page [www.cbmsl.com/green.php](http://www.cbmsl.com/green.php) to exercise their option. Likewise shareholders holding shares in physical mode are requested to visit the aforesaid web page to register their e-mail id and exercise their option accordingly.
- o. The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to the shareholders electronically as a part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by MCA, the documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, and Auditor's Report etc. will be sent to the e-mail addresses as provided by the shareholders with their depositories.
- p. The Annual Report 2015-16 is being sent through electronic mode only to the members whose e-mail address are registered with the Company/ Depository participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2015-16 are being sent by the permitted mode. The Annual Report of the Company circulated to the Members of the Company, will also be made available on the Company's website at [www.rssoftware.com](http://www.rssoftware.com).
- q. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
- r. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Share Transfer Agents.
- s. In accordance with Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, a brief profile of the Directors seeking appointment and / or re-appointment according to Item No. 3 of this Notice is provided in the notes annexed hereto.
- t. **E-voting:**
- 1) In compliance with the provisions of Section 108 of the

Companies(Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) amended Rules, 2015 and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide the Members facility of voting by electronic means in respect of business to be transacted at the 28th Annual General Meeting (AGM) which includes remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting) by using the electronic voting facility provided by Central Depository Services Limited (CDSL). The facility for voting through Ballot (Polling) paper shall be made available at the AGM and Members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through Polling Paper.

- 2) Persons who have acquired shares and became Members after the dispatch of the Notice of the AGM but before the 'Cut-off Date' of July 14, 2016 may obtain their user ID and Password for e-voting and Company's Registrars & Transfer Agent, C.B. Management Services (P) Ltd, P-22, Bondel Road, Kolkata 700 019 (Ph. No. 033 – 22806692/4011 6700/22823643/22870263 Fax No. 91 – 033 – 4011 6739).
- 3) The e-voting period commences on July 18, 2016 at 9.00 a.m. and ends on July 20, 2016 at 5.00 p.m.

The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on July 18, 2016 at 9:00 a.m. and ends on July 20, 2016 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 14, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through

CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs")

and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- u. The e-voting period commences on July 18, 2016 (9:00 a.m.) and ends on July 20, 2016 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically.
- v. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of July 14, 2016.
- w. Shri Mohan Ram Goenka, Practising Company Secretary (Membership No. F4515) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- x. The Scrutinizer shall, immediately after conclusion of voting of the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast at the meeting, through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any forthwith to the Chairman or the CFO & Company Secretary of the Company.
- y. The Results shall be declared within 3 (three) days of conclusion of the ANNUAL GENERAL MEETING of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rssoftware.com](http://www.rssoftware.com) and on the website of CDSL immediately after the result is declared by the CFO & Company Secretary and communicate to the Stock Exchanges.
- z. The Chairman shall at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer by use of physical Ballot Paper / Polling Paper for all those members who have not cast their votes earlier either by e-voting.
- aa. The Scrutinizer's decision on the validity of the Ballot Paper / Polling Paper form will be final.

By Order of the Board of Directors

**Registered Office:**

234/3A, A.J.C. Bose Road  
Kolkata – 700 020  
April 23, 2016

**Vijendra Surana**  
CFO & Company Secretary  
(Membership No, 11559)



## Annexure to the Notice

Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of items of Special Business set out in the Notice convening the Twenty Eighth Annual General Meeting of the Company to be held on 21 st July, 2016.

### **Item No. 5 :**

Stock options are an effective instrument to align interests of employees with those of the Company and provide an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands. This also helps the Company to attract, retain and motivate the best available talent in a competitive environment. The Board of Directors of the Company therefore wants to get the ESOP Scheme 2016 approved by the shareholders for a period of 3 years from 1st April, 2016.

The Company can grant new stock options as per the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 2009 ("the ESOP Guidelines") (including any statutory amendment, modification or re-enactment to the Act or the ESOP Guidelines, for the time being in force) and SEBI (Share Based Employee Benefits) Regulations 2014 (including any statutory amendment, modification or re-enactment to the Act, for the time being in force).

The Board, therefore, proposes to introduce, formulate and create the modified Employee Stock Option Scheme 2016 (ESOP Scheme 2016). Grant of stock options under ESOP Scheme 2016 shall be as per the terms and conditions as may be decided by Nomination and Remuneration Committee from time to time in accordance with the Applicable Laws.

The salient features of the ESOP Scheme 2016 are as under:-

### **Particulars of ESOP Scheme**

#### **I. Brief description of the Scheme(s):**

- a) A total of 10,00,000 (Ten Lac) Options would be available for grant to the eligible employees under the scheme.
- b) Number of options shall be adjusted due to any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company.
- c) Each option when exercised would give the option holder a right to get one fully paid equity share of the Company.

- d) The options, which will lapse, expire or be forfeited, will be available for further grant to the eligible employees.

#### **II. Eligible Employees :**

The process for determining the eligibility of the employees will be specified by Nomination and Remuneration Committee and will be based on designation, period of service, band, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time. In case of performance linked stock options, the number of vested stock options may vary from the original number of stock options granted.

#### **III. Classes of employees entitled to participate in the ESOP Scheme (2016):**

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the holding Company and its Subsidiary Company(ies) located either in India or in Abroad shall be eligible to participate in the ESOP Scheme 2016.

The promoter, the person belonging to the promoter group or director, who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the ESOP Scheme 2016.

#### **IV. Vesting and period of Vesting:**

The Employee Stock Options granted under ESOS shall vest in a minimum period of one year and a staggered vesting period of four years from the date of grant of the options. 25% of the options granted to an employee will become vested after each year.

#### **V. Exercise Price or pricing formula:**

Exercise price will be equal to the market price of RS shares every year on the date of Grant. Or alternately a price recommended by the evaluation committee, and approved thereafter by the compensation committee. For the purpose of this clause the market price will be determined as per the SEBI Guidelines on ESOP.

#### **VI. Exercise Period and process of exercise**

The exercise period will be commenced from the date as

to be declared by the HR Department of the Company after vesting of such options each year and there will be a minimum vesting period of one year from the date of grant of such options.

**VII. Maximum No. of Options to be granted per employe :**

The maximum number of options that may be granted in any Financial Year to any specific Employee under the ESOS shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

**VIII. The Scheme would be implemented through the Company.**

**IX. The Scheme involves new issue of shares by the Company only.**

X. In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that should have been recognized if it had used the fair value, and the impact of this difference on the profits and EPS of the company and these should also be disclosed in the directors report.

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the ESOP Regulations and other Applicable Laws from time to time. The Nomination and Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the ESOP Scheme (2016). In terms of the provisions of the ESOP Regulations, ESOP Scheme (2016) is required to be approved by the members by passing of special resolution.

ESOP Regulations also require separate approval of members by way of Special Resolution to grant stock options to the employees of holding and/or subsidiary companies. Accordingly, a separate resolution under item no.5 is proposed to extend the benefits of ESOP Scheme (2016) to the employees of holding and subsidiary company(ies) as may be decided by the Nomination and Remuneration Committee from time to time under Applicable Laws.

A copy of the draft ESOP Scheme will be available for inspection on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. at the Registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them under ESOP Scheme 2016.

The Board recommends passing of the resolution(s) as set out under Item No. 5 for approval of the members as a Special Resolution.

By Order of the Board of Directors

**Registered Office:**

234/3A, A.J.C. Bose Road  
Kolkata – 700 020  
April 23, 2016

**Vijendra Surana**  
CFO & Company Secretary  
(Membership No, 11559)

### Additional Information on Director seeking appointment / re-appointment as required under Regulation 36(3) of the Listing Regulations with the Stock Exchanges at the AGM:

<b>Name</b>	Mr. Rajnit Rai Jain
<b>Date of Birth</b>	10th September, 1956
<b>Date of appointment</b>	2nd December, 1987.
<b>Qualification and Expertise in specific functional areas</b>	Mr. Jain has over 30 years of industry experience and holds a BS and MBA from California State University. He has served on the Executive Council of National Association of Software and Services Companies (NASSCOM), both as a member and officer. In 1999, he was elected Chairman of NASSCOM by its Executive Council and, in that same year, acknowledged by Ernst & Young as one of the top 20 Outstanding Entrepreneurs of the Year. Mr. Jain's remains an active member of NASSCOM and serves as a member of their Chairman Emeritus. He also has been a member of TIE (The Indus Entrepreneurs) and YPO (Young Presidents Organization). He is the founder, main Promoter and the Chairman & Managing Director of your Company.
<b>List of Directorships (excluding foreign Companies)</b>	None
<b>Chairman/Member of the Committees of Board of Directors of the Company</b>	None
<b>Chairman/Member of the Committees of Board of Directors of the other Indian public limited companies in which he is a Director</b>	None
<b>Shareholdings in the Company</b>	9756648
<b>Relationship with other Director</b>	Related with Mrs. Sarita Jain (Director)

By Order of the Board of Directors

**Registered Office:**  
 234/3A, A.J.C. Bose Road  
 Kolkata – 700 020  
 April 23, 2016

**Vijendra Surana**  
 CFO & Company Secretary  
 (Membership No, 11559)

# DIRECTORS' REPORT 15-16

*Dear members*

Your Directors take pleasure in presenting their Twenty Eighth Annual Report and the audited Statement of Accounts, highlighting the business operations and financial results for the financial year ended March 31, 2016.

## 1. Financial Summary or Highlights/Performance of the Company (Standalone and Consolidated)

The summarized standalone and consolidated results of your Company and its subsidiaries are given in the table below:

On the basis of standalone financial statements, the performance of the Group appears as follows: (Rupees in Lacs)

Particulars	2015-16	2014-15
Turnover	18690.86	35711.24
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	1588.19	10216.43
Less : Finance Charges	21.50	37.03
Profit before Depreciation/Amortization (PBTDA)	1566.69	10179.40
Less : Depreciation	417.02	554.83
Net Profit before Taxation (PBT)	1149.67	9624.57
Provision for taxation	354.53	3131.04
Profit/(Loss) after Taxation (PAT)	795.14	6493.53

On the basis of consolidated financial statements, the performance of the Company appears as follows: (Rupees in Lacs)

Particulars	2015-16	2014-15
Turnover	20549.60	38807.27
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	1877.56	10499.57
Less : Finance Charges	21.86	37.93
Profit before Depreciation/Amortization (PBTDA)	1855.70	10461.64
Less : Depreciation	417.02	554.83
Net Profit before Taxation (PBT)	1438.68	9906.81
Provision for taxation	377.38	3168.14
Profit/(Loss) after Taxation (PAT)	1061.30	6738.67

## Management Discussion and Analysis

During the year 2015-16, the Company's profit after tax stood at ₹1061 Lacs vis-à-vis ₹6739 Lacs in the previous year. The net revenue at is ₹20549 Lacs is down from the previous year's revenue of ₹37642 Lacs.

### State of Company's affairs

#### • Margins analysis

The Company's PAT margin in 2015-16 has been 5.16% as compared to 17.36% in 2014-15. The reason for decline in margin is attributable to the strategic shift made by the

Company as it is making substantial investments in: a) developing tools and platforms, b) sales and marketing to enhance its customer base. The Company has focused on reducing its client concentration during the period under review.

#### • Capital employed

The total capital employed increased from ₹22396 Lacs in 2014-15 to ₹22927 Lacs in 2015-16 largely due to an increase in reserves and surplus, and a small increase in equity capital.

## Economic Scenario, outlook and strategy

As the economy is preparing for a cardless and cashless economy R.S. Software sees a huge opportunity this transformation of Global Economy. The current market outlook and positioning of RS has been covered separately as a part of this Annual Report in various sections as an addendum along with other analysis and discussion on performance.

## 2. Dividend

The Board of directors has recommended a final dividend of 20% i.e ₹ 1 per share to the equity shareholders for the financial year 2015-16.

## 3. Finance and Capital

The paid up Equity Share Capital as on March 31, 2016 was ₹128466590 (25693318 Equity Shares of ₹.5 per share). There was an allotment of 15,000 Equity Shares under ESOP during financial year 2015-16. All Equity Shares rank pari-passu in all respects with the existing Equity Shares of the Company.

## 4. Issue of Employee Stock Options

Your company believes in employees' participation in management and considers ESOP Scheme as an empowerment tool. During the financial year 2015-16 the employees had exercised 15000 ESOP options and according to the Company's ESOP Scheme 15000 equity shares were allotted to the eligible employees. The details of ESOP allotment are given "Annexure A" to the Directors' Report.

## 5. Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has a Trust named R.S. Software Employees Welfare Trust which is also holding 1148640 shares of the Company being purchased a couple of years back from the Secondary Market and no such provisions were required to be maintained as the shares are not sold out yet.

## 6. Details Relating to Material Variations

No such material variances as per Regulation 32(1) are there in the Company.

## 7 Material Changes and Commitments, if any, Affecting the Financial Position

No Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report so it is still standing the same and not affecting the Financial Position.

## 8. Details of significant and material orders passed by the regulators /courts / tribunals impacting the going concern status and the company's operations in future

The pending litigations are stated below and the Company do not envisaged any liability out of the same as all the Suits filed by the Company:

- i) Title Suit filed by the Company against Mr. G. Ravi of Madurai at the Alipore Court, Kolkata relating to equity shares of the Company.
- ii) Writ Petition filed by the Company against Mr. G. Venugopal Naidu of Nellore at the High Court, Kolkata relating to equity shares of the Company.
- iii) Suit filed by the Company against Software One India Ltd of New Delhi at the High Court, Kolkata relating to termination of contract for non-performance and subsequent damages.

## 9. Internal Control Systems and Audit

The CEO and CFO certification provided in the Annual Report discusses the adequacy of the Company's Internal Control System and Audit.

## 10. Details of Subsidiary/Joint Ventures/ Associate Companies

Pursuant to sub-section (3) of Section 129 of the Act, read with Rule 5 of the Companies (Accounts) Rule, 2014, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, is given in AOC-I as "Annexure B". Further, in line with Section 129(3) of the Act read with the aforesaid Rules, the Listing Regulation with the Stock Exchanges and in accordance with the Accounting Standard 21 (AS-21), Consolidated Financial Statements prepared by your Company include financial information of its subsidiary companies. During the year no new subsidiary was formed nor ceased.

## 11. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement

A report on the performance and financial position of each of the Subsidiaries included in the consolidated financial statements prepared by your company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the audited annual accounts of each of the subsidiary companies which have been placed on the website of your company [www.rsssoftware.com](http://www.rsssoftware.com). Members interested in obtaining a copy of audited annual accounts of each of the subsidiary companies may write to the Company Secretary at your Company's Registered Office.

## 12. Deposits

The Company has not accepted any kind of deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 13. Auditors

### Statutory Auditors

M/s. Chaturvedi & Co., Chartered Accountants and Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting, and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. The Company has also received a confirmation that their appointment, if made will be within the limit as prescribed under Section 139 of the Companies Act, 2013 and the rules therein.

Their reappointment for a further term is recommended by the Audit Committee and the Board of Directors at such remuneration as mutually decided. The Members are requested to confirm the re-appointment of M/s. Chaturvedi & Co., Chartered Accountants as the Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, subject to the ratification by the members at each Annual General Meeting. The same would be also duly approved by the Audit Committee and the Board of directors in their duly convened meetings.

The Statutory Auditor Chaturvedi & Company has submitted an un-qualified Audit Report for the financial year 2015-16.

## 14. Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MR & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Auditor has submitted an un-qualified Secretarial Audit Report for the financial year 2015-16. The Report of the Secretarial Audit is annexed herewith as "Annexure C".

## 15. Extract of the Annual Return

An extract of Annual Return as on the financial year ended on March 31, 2016 in Form MGT-9 as required under section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) rules 2014, is set out as an "Annexure D" to the Director's Report.

## 16. Particulars of Employees

The prescribed particulars of remuneration of employees pursuant to Section 134(3)(q) and Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as Annexure

'E' to the Director's Report.

## 17. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (3)(m) of the Section 134 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, are given at "Annexure F" to the Directors' Report.

## 18. Directors

Mr. Rajnit Rai Jain, an Executive Director and the Chairman and Managing Director of the company who is liable to retire by rotation and offers himself for re-appointment, based on the recommendation of Nomination and Remuneration Committee, subject to the approval of the members at the ensuing Annual General Meeting

All the Independent Directors' of your Company furnish declaration at the time of their appointment as also annually that they qualify the tests of their being independent as laid down under sub-section (6) of Section 149 of the Companies Act, and Regulation 16 of Listing Regulation has been received by the Company.

## 19. Key Managerial Personnel

Mr. Rajnit Rai Jain (DIN:00122942) Executive Director and Chairman and Mr. Vijendra Kumar Surana CFO & Company Secretary of the company, were designated as Key Managerial Personnel during the financial year 2015-16 as per provisions of Section 203 under Companies Act, 2013. No appointment/ resignation of KMPs were made during the year.

## 20. Corporate Social Responsibility (CSR) Committee

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavour to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. our company has adopted CSR as a strategic tool for sustainable growth. The Committee had approved the CSR policy and the Budget. The CSR policy is uploaded on Company's website i.e. on [www.rssoftware.com](http://www.rssoftware.com). Further, the Report on CSR Activities/ Initiatives is enclosed as Annexure G.

The CSR Committee comprises of Mr. Rajnit Rai Jain, Chairman of the Committee, Mr. Shital Kumar Jain and Mr. Rajasekhar Ramaraj Independent Directors of the Company.

## 21. Particulars of Contracts or Arrangements with Related Parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in

sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto are disclosed in Form No. AOC-2. ("Annexure H"). The Related Party Transaction Policy has been devised by your company for determining the materiality of transactions with related parties and dealings with them.

## 22. Familiarizations Programme for IDs'

In terms of 25(7) of Listing Regulation, the Company has conducted the Familiarization Programme for Independent Director to familiarize them with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives.

## 23. Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company, during the period (the Trading Window is closed). The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

## 24. Meetings of the Board

4(Four) Board Meetings were held during the year 2015-16 in April 17, 2015; July 9, 2015; October 16, 2015 and January 23, 2016. The maximum time gap between any two consecutive meeting did not exceed 120 days.

## 25. Committees

Relevant details regarding various Committees are given in "Annexure I" to the Directors' Report.

## 26. Board's Comment on Auditor's Report

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Chaturvedi & Co., Statutory Auditors, in their report on the Company's financial statements for the year ended on March 31, 2016.

## 27. Corporate Governance

The Corporate Governance which form an integral part of this Report, are set out as separate "Annexure", together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Regulation 27(2) of the Listing Regulation. The Annexure includes the details of the meetings held by Board of Directors as well as the Committees of the Directors in the financial year 2015-16.

## 28. Disclosures under Sexual Harassment of Women at Workplace

Your Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. Your company has put in place a "Policy on Prevention of Sexual Harassment" as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 29. Directors' Responsibility Statement

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts for the financial year ended 31st March, 2016 on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 30. Acknowledgements

Your Directors' place on record their deep appreciation of the continued assistance and co-operation extended to the Company by its customers, investors, bankers, Government agencies and its dedicated band of employees. Above all, the Board expresses a deep sense of gratitude to the Members of the Company who have reposed faith in their Board and the Management.

Thanking you,

For and on behalf of the Board of Directors

**Rajnit Rai Jain**

Place: Kolkata

(Chairman & Managing Director)

Date: April 23, 2016

DIN: 00122942

## Annexure "A" to Directors' Report

### Status of ESOP approved by the Shareholders in the AGM held on 24th July, 2010.

#### Options granted on July 12, 2012.

- a. The pricing: ₹42.375 per option (after to Stock Split).
- b. Options vested: 25% of the total options granted would be vested on completion of one year and there was a staggered vesting period for 4 years from the date of grant of the options.
- c. Options exercised in the Financial Year 2015-16 by the Employees: 15000 options
- d. Allotment of Bonus Shares arising out of ESOP: N.A.
- e. Options lapsed: N.A.
- f. The total number of shares arising as a result of exercise of option: 15000 equity shares
- g. Variation of terms of options: N.A.
- h. Money realized by exercise of options: ₹635625.00
- i. Equity Shares allotted under ESOP: 15000 equity shares.
- j. Employee wise details of options granted to:-
  - i) Key managerial personnel: Yes
  - ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year:- NIL
  - iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman & Managing Director)

DIN : 00122942

**Date:** April 23, 2016

**Place:** Kolkata



# Annexure "B" to Directors' Report

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of Subsidiaries

#### Part "A": Subsidiaries

##### Information in respect of each subsidiary to be presented with amounts in US Dollar

1. Sl. No.: 1.
2. Name of the subsidiary: **Responsive Solutions, Inc.**
3. Reporting period for the subsidiary concerned: April 1, 2015 to March 31, 2016
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: US Dollar at ₹66.33
5. Share capital: USD 500000
6. Reserves & surplus: USD 344,815
7. Total assets: USD 860,305
8. Total Liabilities :USD 860,305
9. Investments: 0
10. Turnover: USD 457,682
11. Profit before taxation: USD 75,337
12. Provision for taxation: USD 15,490
13. Profit after taxation: USD 59,847
14. Proposed Dividend: 0
15. % of shareholding: 100%

##### Information in respect of each subsidiary to be presented with amounts Singapore Dollar

1. Sl. No.: 2
2. Name of the subsidiary: **R.S. Software (Asia) Pte. Ltd.**
3. Reporting period for the subsidiary concerned: April 1, 2015 to March 31, 2016.
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: Singapore Dollar at ₹49.15
5. Share capital: SGD 25000
6. Reserves & surplus: SGD 2,040,114
7. Total assets: SGD 2,182,287.73
8. Total Liabilities: SGD 2,182,287.73
9. Investments: 0
10. Turnover: SGD 3,164,099.62
11. Profit before taxation: SGD 486,339
12. Provision for taxation: SGD 25,587
13. Profit after taxation: SGD 460,752
14. Proposed Dividend: 0
15. % of shareholding: 100%

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. –Not Applicable

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman & Managing Director)

DIN : 00122942

**Date:** April 23, 2016

**Place:** Kolkata

# Annexure "C" to Directors' Report

Form No. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,  
The Members,  
**R.S. SOFTWARE (INDIA) LTD.**  
**234 3A Acharya Jagadish Chandra Bose Road**  
**Kolkata 700020**  
**West Bengal**

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by R.S. SOFTWARE (INDIA) LTD., (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
  2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
  3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:
    - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
    - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
    - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
    - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (for the period 01.04.2015 to 14.05.2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (for the period 15.05.2015 to 31.03.2016);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

(i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time. (for the period 01.12.2015 to 31.03.2016).

vi) The Company had identified following Other laws as specifically applicable to the Company namely:

- a) Information Technology Act,
- b) Copyright Act,1957
- c) The Patents Act, 1970
- d) The Trade Marks Act, 1999 etc.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, notified w.e.f 1st July, 2015.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd. and Bombay Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted

with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

This Report is to be read with our letter of even date which is annexed "Annexure A" and forms an Integral Part of this Report.

**For MR & Associates  
Company Secretaries**

**[M. R. Goenka]  
Partner**

**Place: Kolkata  
Date: 23.04.2016**

**FCS No.:4515  
C P No.:2551**

## “ANNEXURE”

(TO THE SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

To,  
The Members  
**R.S. SOFTWARE (INDIA) LTD.**  
234 3A Acharya Jagadish Chandra Bose Road  
Kolkata 700020  
West Bengal

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates  
Company Secretaries

[M. R. Goenka]  
Partner

Place: Kolkata  
Date: 23.04.2016

FCS No.:4515  
C P No.:2551

# Annexure “D” to Directors’ Report

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March, 2016

Of

**R.S. SOFTWARE (INDIA) LTD.**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L72200WB1987PLC043375
ii) Registration date	02/12/1987
iii) Name of the company	R.S. Software (India) Ltd.
iv) Category/ Sub category	Public Company / Limited by shares
v) Address and Registered office and contract details	“FMC FORTUNA”, 1ST FLOOR, A-2, 234/3A A.J.C. BOSE ROAD, KOLKATA-700020 Phone No. (033) 22875746/ 6254/6255 Fax: 033 22876256 Website: <a href="http://www.rssoftware.com">www.rssoftware.com</a>
vi) Whether listed company: Yes/No	Yes
vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any	C.B. MANAGEMENT SERVICES (P) LTD P-22, BONDEL ROAD, KOLKATA-700019 Phone No. 033 2280 6692, 9424862937 Fax No. 033 2287 0263

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Software Development	6202	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Responsive Solutions Inc	N.A.	Subsidiary	100 %	2(87)
2.	R.S. Software (Asia) Pte. Ltd.	N.A.	Subsidiary	100 %	2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st April, 2015]				No. of Shares held at the end of the year [As on 31st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	9824558	-	9824558	38.26	10123192	-	10123192	39.40	1.14
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>9824558</b>	<b>-</b>	<b>9824558</b>	<b>38.26</b>	<b>10123192</b>	<b>-</b>	<b>10123192</b>	<b>39.40</b>	<b>1.14</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>9824558</b>	<b>-</b>	<b>9824558</b>	<b>38.26</b>	<b>10123192</b>	<b>-</b>	<b>10123192</b>	<b>39.40</b>	<b>1.14</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	29064	29064	0.11	-	29064	29064	0.11	-
b) FIs/ Banks	35144	2192	37336	0.15	57836	2192	60028	0.23	0.08
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	5888	5888	0.02	-	5888	5888	0.02	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	1895704	4608	1900312	7.40	1365687	4608	1370295	5.33	-2.07
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1930848</b>	<b>41752</b>	<b>1972600</b>	<b>7.68</b>	<b>1423523</b>	<b>41752</b>	<b>1465275</b>	<b>5.70</b>	<b>-1.98</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate	2665269	18010	2683279	10.45	1385497	4442	1389939	5.41	-5.04
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	7561748	584814	8146562	31.73	8446848	526352	8973200	34.92	3.19
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2165827	-	2165827	8.43	1548798	0	1548798	6.03	-2.40
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	505738	37160	542898	2.11	586535	36448	622983	2.42	0.31
Clearing Members	274205	-	274205	1.07	364907	-	364907	1.42	0.35
Trusts	1405	-	1405	0.01	4400	-	4400	0.02	0.01
Foreign Nationals	63400	-	63400	0.25	48400	-	48400	0.19	-0.06
OCB	-	3584	3584	1.01	-	3584	3584	0.01	-1.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01st April, 2015]				No. of Shares held at the end of the year [As on 31st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(2):-	13237592	643568	13881160	54.06	12385385	570826	12956211	50.43	-3.63
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15168440	685320	15853760	61.74	13808908	612578	14421486	56.13	2.68
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Others- Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	-	-	-	-	1148640	-	1148640	4.47	4.47
Total Non-Promoter-Non-Public Shareholding (C )	-	-	-	-	1148640	-	1148640	4.47	4.47
<b>Grand Total (A+B+C)</b>	<b>24992998</b>	<b>685320</b>	<b>25678318</b>	<b>100</b>	<b>25080740</b>	<b>612578</b>	<b>25693318</b>	<b>100</b>	<b>0</b>

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01st April, 2015]			Shareholding at the end of the Year [As on 31st March, 2016]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Rajnit Rai Jain	9458014	36.83	-	9756648	37.97	-	1.14
2.	Sarita Jain	366544	1.43	-	366544	1.43	-	-

### iii) Change in Promoters Shareholding:

Sl. No.	Name of the promoter	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	RAJNIT RAI JAIN						
	At the beginning of the year	01/04/2015		9458014	36.83	-	-
		05/02/2016	BUY	60000	0.23	9518014	37.04
		12/02/2016	BUY	62383	0.24	9580397	37.29
		19/02/2016	BUY	152151	0.59	9732548	37.88
		26/02/2016	BUY	21490	0.08	9754038	37.96
		04/03/2016	BUY	453	0	9754491	37.97

Sl. No.	Name of the promoter	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		11/03/2016	BUY	198	0	9754689	37.97
		18/03/2016	BUY	207	0	9754896	37.97
		31/03/2016	BUY	1752	0.01	9756648	37.97
	At the end of the year	31/03/2016		–	–	9756648	37.97
<b>2.</b>	<b>SARITA JAIN</b>						
	At the beginning of the year	01/04/2015		366544	1.43	–	–
	Changes during the year	No change during the year					
	At the end of the year	31/03/2016		–	–	366544	1.43

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Barclays Wealth Trustees India Private Limited</b>						
	At the beginning of the year	01/04/2015		1148640	4.47	–	–
	Changes during the year	No change during the year					
	At the end of the year	31/03/2016		–	–	1148640	4.47
<b>2.</b>	<b>Dolly Khanna</b>						
	At the beginning of the year	01/04/2015		861638	3.36	–	–
		10/04/2015	SELL	3000	0.01	858638	3.34
		17/04/2015	SELL	5500	0.02	853138	3.32
		15/05/2015	SELL	2000	0.01	851138	3.31
		22/05/2015	SELL	2380	0.01	848758	3.30
		12/06/2015	SELL	2000	0.01	846758	3.30
		26/06/2015	SELL	1000	0.00	845758	3.29
		03/07/2015	SELL	1350	0.01	844408	3.29
		10/07/2015	SELL	5000	0.02	839408	3.27
		17/07/2015	SELL	19000	0.07	820408	3.19
		24/07/2015	SELL	6750	0.03	813658	3.17
		31/07/2015	SELL	11000	0.04	802658	3.12
		07/08/2015	SELL	7250	0.03	795408	3.10
		14/08/2015	SELL	3000	0.01	792408	3.09
		21/08/2015	SELL	6700	0.03	785708	3.06
		28/08/2015	SELL	3000	0.01	782708	3.05
		04/09/2015	SELL	4500	0.02	778208	3.03
		11/09/2015	SELL	1000	0.00	777208	3.02
		18/09/2015	SELL	1000	0.00	776208	3.02
		25/09/2015	SELL	2000	0.01	774208	3.01
		30/09/2015	SELL	2500	0.01	771708	3.00
		09/10/2015	SELL	5967	0.02	765741	2.98
		16/10/2015	SELL	10206	0.04	755535	2.94



Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		23/10/2015	SELL	21472	0.08	734063	2.86
		30/10/2015	SELL	21350	0.08	712713	2.77
		06/11/2015	SELL	5500	0.02	707213	2.75
		13/11/2015	SELL	2000	0.01	705213	2.74
		20/11/2015	SELL	4500	0.02	700713	2.73
		27/11/2015	SELL	2000	0.01	698713	2.72
		11/12/2015	SELL	1000	0.00	697713	2.72
		18/12/2015	SELL	7000	0.03	690713	2.69
		25/12/2015	SELL	4000	0.02	686713	2.67
		31/12/2015	SELL	5000	0.02	681713	2.65
		08/01/2016	SELL	2000	0.01	679713	2.65
		15/01/2016	SELL	5000	0.02	674713	2.63
		22/01/2016	SELL	5000	0.02	669713	2.61
		29/01/2016	SELL	51000	0.20	618713	2.41
		05/02/2016	SELL	29500	0.11	589213	2.29
		12/02/2016	SELL	18000	0.07	571213	2.22
		19/02/2016	SELL	7500	0.03	563713	2.19
		26/02/2016	SELL	19000	0.07	544713	2.12
		04/03/2016	SELL	24300	0.09	520413	2.03
		11/03/2016	SELL	7500	0.03	512913	2.00
		18/03/2016	SELL	17000	0.07	495913	1.93
		25/03/2016	SELL	9500	0.04	486413	1.89
		31/03/2016	SELL	14000	0.05	472413	1.84
	At the end of the year	31/03/2016		-	-	472413	1.84
<b>3.</b>	<b>FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK FUND</b>						
	At the beginning of the year	01/04/2015		600000	2.34	-	-
	Changes during the year	No change during the year					
	At the end of the year	31/03/2016		-	-	600000	2.34
<b>4.</b>	<b>SLG INTERNATIONAL OPPORTUNITIES, L.P *</b>						
	At the beginning of the year	01/04/2015		388200	1.51	-	-
		29/01/2016	SELL	96264	0.37	291936	1.14
		29/01/2016	SELL	291936	1.14	0	0.00
	At the end of the year	31/03/2016		-	-	0	0.00
<b>5.</b>	<b>M KAVERI BAI</b>						
	At the beginning of the year	01/04/2015		220500	0.86	-	-
		22/01/2016	SELL	50000	0.19	170500	0.66
	At the end of the year	31/03/2016		-	-	170500	0.66
<b>6.</b>	<b>STICHTING PENSIOENFONDS ABP *</b>						
	At the beginning of the year	01/04/2015		128734	0.50	-	-
		14/08/2015	SELL	128734	0.50	0	0.00
	At the end of the year	31/03/2016		-	-	0	0.00

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>7.</b>	<b>PASSAGE TO INDIA MASTER FUND LIMITED</b>						
	At the beginning of the year	01/04/2015		120350	0.47	-	-
		10/04/2015	BUY	35000	0.14	155350	0.60
		30/10/2015	SELL	10000	0.04	145350	0.57
		06/11/2015	SELL	20000	0.08	125350	0.49
		13/11/2015	SELL	10000	0.04	115350	0.45
		11/12/2015	SELL	1350	0.01	114000	0.44
	At the end of the year	31/03/2016		-	-	114000	0.44
<b>8.</b>	<b>PENSION RESERVES INVESTMENT TRUST FUND – ARCADIAN</b>						
	At the beginning of the year	01/04/2015		116270	0.45	-	-
		19/02/2016	SELL	15833	0.06	100437	0.39
	At the end of the year	31/03/2016		-	-	100437	0.39
<b>9.</b>	<b>MUKKARAM JAN</b>						
	At the beginning of the year	01/04/2015		92000	0.36	-	-
		05/02/2016	SELL	25000	0.10	67000	0.26
	At the end of the year	31/03/2016		-	-	67000	0.26
<b>10.</b>	<b>ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC</b>						
	At the beginning of the year	01/04/2015		87224	0.34	-	-
	Changes during the year	No change during the year					
	At the end of the year	31/03/2016		-	-	87224	0.34
<b>11.</b>	<b>YUSUF KASAM</b>						
	At the beginning of the year	01/04/2015		84972	0.33	-	-
		10/04/2015	BUY	12000	0.05	96972	0.38
		17/04/2015	BUY	1342	0.01	98314	0.38
		24/04/2015	BUY	17000	0.07	115314	0.45
		01/05/2015	BUY	1000	0.00	116314	0.45
		08/05/2015	BUY	3175	0.01	119489	0.47
		22/05/2015	BUY	10000	0.04	129489	0.50
		05/06/2015	BUY	1000	0.00	130489	0.51
		19/06/2015	BUY	10000	0.04	140489	0.55
		17/07/2015	SELL	2000	0.01	138489	0.54
		24/07/2015	SELL	7000	0.03	131489	0.51
		31/07/2015	BUY	4000	0.02	135489	0.53
		07/08/2015	BUY	398	0.00	135887	0.53
		28/08/2015	BUY	9828	0.04	145715	0.57
		25/09/2015	BUY	4361	0.02	150076	0.58
		09/10/2015	SELL	7000	0.03	143076	0.56
		16/10/2015	SELL	10189	0.04	132887	0.52
		23/10/2015	BUY	4300	0.02	137187	0.53
		27/11/2015	SELL	1266	0.00	135921	0.53
		04/12/2015	BUY	23685	0.09	159606	0.62
		11/12/2015	BUY	2000	0.01	161606	0.63

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		18/12/2015	BUY	3140	0.01	164746	0.64
		25/12/2015	SELL	4140	0.02	160606	0.63
		01/01/2016	SELL	24685	0.10	135921	0.53
		15/01/2016	BUY	20000	0.08	155921	0.61
		22/01/2016	BUY	2000	0.01	157921	0.61
		05/02/2016	BUY	2000	0.01	159921	0.62
		12/02/2016	BUY	1000	0.00	160921	0.63
		19/02/2016	BUY	1000	0.00	161921	0.63
		26/02/2016	BUY	1000	0.00	162921	0.63
		04/03/2016	BUY	1000	0.00	163921	0.64
		11/03/2016	SELL	6000	0.02	157921	0.61
		18/03/2016	SELL	10000	0.04	147921	0.58
		25/03/2016	BUY	5000	0.02	152921	0.60
	At the end of the year	31/03/2016		-	-	152921	0.60
<b>12.</b>	<b>GEOJIT BNP PARIBAS FINANCIAL SERVICES LTD.</b>						
	At the beginning of the year	01/04/2015		25090	0.10	-	-
		03/04/2015	BUY	2825	0.01	27915	0.11
		10/04/2015	BUY	5880	0.02	33795	0.13
		17/04/2015	BUY	580	0.00	33215	0.13
		24/04/2015	BUY	16147	0.06	17068	0.07
		01/05/2015	BUY	9160	0.04	7908	0.03
		08/05/2015	BUY	724	0.00	7184	0.03
		15/05/2015	SELL	3308	0.01	3876	0.02
		22/05/2015	BUY	749	0.00	4625	0.02
		29/05/2015	SELL	1516	0.01	6141	0.02
		05/06/2015	SELL	1338	0.01	4803	0.02
		12/06/2015	SELL	2454	0.01	2349	0.01
		19/06/2015	SELL	4352	0.02	6701	0.03
		26/06/2015	SELL	1588	0.01	5113	0.02
		30/06/2015	SELL	608	0.00	4505	0.02
		03/07/2015	SELL	7281	0.03	11786	0.05
		10/07/2015	BUY	20187	0.08	31973	0.12
		17/07/2015	SELL	7731	0.03	24242	0.09
		24/07/2015	BUY	2329	0.01	26571	0.10
		31/07/2015	SELL	20009	0.08	6562	0.03
		07/08/2015	SELL	519	0.00	6043	0.02
		14/08/2015	BUY	63	0.00	6106	0.02
		21/08/2015	BUY	1763	0.01	7869	0.03
		28/08/2015	BUY	2889	0.01	10758	0.04
		04/09/2015	SELL	4344	0.02	6414	0.02
		11/09/2015	SELL	2489	0.01	3925	0.02
		18/09/2015	BUY	4697	0.02	8622	0.03
		25/09/2015	SELL	3443	0.01	5179	0.02
		30/09/2015	BUY	823	0.00	6002	0.02
		02/10/2015	SELL	2477	0.01	3525	0.01
		09/10/2015	BUY	12221	0.05	15746	0.06
		16/10/2015	SELL	465	0.00	15281	0.06
		23/10/2015	BUY	40136	0.16	55417	0.22
		30/10/2015	SELL	19822	0.08	35595	0.14

Sl. No.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		06/11/2015	SELL	15289	0.06	20306	0.08
		13/11/2015	SELL	6728	0.03	13578	0.05
		20/11/2015	BUY	9746	0.04	23324	0.09
		27/11/2015	SELL	883	0.00	22441	0.09
		04/12/2015	SELL	16661	0.06	5780	0.02
		11/12/2015	BUY	5195	0.02	10975	0.04
		18/12/2015	SELL	980	0.00	9995	0.04
		25/12/2015	BUY	6015	0.02	16010	0.06
		31/12/2015	BUY	14596	0.06	30606	0.12
		01/01/2016	BUY	11023	0.04	41629	0.16
		08/01/2016	BUY	12196	0.05	53825	0.21
		15/01/2016	SELL	39273	0.15	14552	0.06
		22/01/2016	BUY	1827	0.01	16379	0.06
		29/01/2016	BUY	25046	0.10	41425	0.16
		05/02/2016	BUY	30790	0.12	72215	0.28
		12/02/2016	SELL	1653	0.01	70562	0.27
		19/02/2016	SELL	63596	0.25	6966	0.03
		26/02/2016	BUY	7990	0.03	14956	0.06
		04/03/2016	SELL	12615	0.05	2341	0.01
		11/03/2016	BUY	31860	0.12	34201	0.13
		18/03/2016	SELL	25589	0.10	8612	0.03
		25/03/2016	BUY	56798	0.22	65410	0.25
		31/03/2016	BUY	4996	0.02	70406	0.27
	At the end of the year	31/03/2016		-	-	70406	0.27
<b>13.</b>	<b>ROHIT TEKRIWAL</b>						
	At the beginning of the year	01.04.2015		31000	0.12	-	-
		01/05/2015	BUY	4000	0.02	35000	0.14
		26/02/2016	BUY	20000	0.08	55000	0.21
		04/03/2016	BUY	15000	0.06	70000	0.27
	At the end of the year	31/03/2016		-	-	70000	0.27
<b>14.</b>	<b>KWALITY MILK FOODS LIMITED **</b>						
	At the beginning of the year	01/04/2015		0	0.00	-	-
		30/10/2015	BUY	53300	0.21	53300	0.21
		18/12/2015	BUY	38400	0.15	91700	0.36
		31/12/2015	SELL	2250	0.01	89450	0.35
		15/01/2016	SELL	1000	0.00	88450	0.34
		29/01/2016	SELL	5500	0.02	82950	0.32
		05/02/2016	SELL	9600	0.04	73350	0.29
		12/02/2016	SELL	6500	0.03	66850	0.26
	At the end of the year	31/03/2016		-	-	66850	0.26

\* During the year ceased to be in the list of Top Ten Shareholders. The same is reflected above since the shareholder was one of the top ten shareholders as on 1/04/2015.

\*\* Not in the list of Top 10 shareholders as on 01/04/2015. The same has been reflected above since the shareholder was in the Top Ten Shareholders as on 31/03/2016.

**(v). Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>RAJNIT RAI JAIN (Chairman &amp; Managing Director)</b>						
	At the beginning of the year	01/04/2015		9458014	36.83	-	-
		05/02/2016	BUY	60000	0.23	9518014	37.04
		12/02/2016	BUY	62383	0.24	9580397	37.29
		19/02/2016	BUY	152151	0.59	9732548	37.88
		26/02/2016	BUY	21490	0.08	9754038	37.96
		04/03/2016	BUY	453	0.00	9754491	37.97
		11/03/2016	BUY	198	0.00	9754689	37.97
		18/03/2016	BUY	207	0.00	9754896	37.97
		31/03/2016	BUY	1752	0.01	9756648	37.97
	At the end of the year	31/03/2016		-	-	9756648	37.97
<b>2.</b>	<b>SARITA JAIN (Non- Executive &amp; Independent Director)</b>						
	At the beginning of the year	01/04/2015		366544	1.43	-	-
	Nil holding/ changes during the year	-		-	-	-	-
	At the end of the year	31/03/2016		-	-	366544	1.43
<b>3.</b>	<b>RICHARD NICHOLAS LAUNDER (Non- Executive &amp; Independent Director)</b>						
	At the beginning of the year	01/04/2015		58400	0.23	-	-
		11/09/2015	SELL	10000	0.04	48400	0.19
	At the end of the year	31/03/2016		-	-	48400	0.19
<b>4.</b>	<b>SHITAL KUMAR JAIN (Non- Executive &amp; Independent Director)</b>						
	At the beginning of the year	01/04/2015		40000	0.16	-	-
		18/09/2015	SELL	20000	0.08	20000	0.08
		20/11/2015	SELL	20000	0.08	0	0.00
	At the end of the year	31/03/2016		-	-	0	0.00
<b>5.</b>	<b>RAJASEKHAR RAMARAJ (Non- Executive &amp; Independent Director)</b>						
	At the beginning of the year	01/04/2015		68400	0.27	-	-
	Nil holding/ changes during the year	-		-	-	-	-
	At the end of the year	31/03/2016		-	-	68400	0.27

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition*	-	-	-	-
Reduction*	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(vi) Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Rajnit Rai Jain Chairman & Managing Director	Total Amount (in ₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5422509.00	5422509.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...	2400000.00	2400000.00
5	Others ( Employer's Provident Fund)	432000.00	432000.00
	Total (A)	8254509.00	8254509.00
	Ceiling as per the Act	₹6.49 Crore (being 10% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013.	

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Mr. Shital Kumar Jain	Mr. Rajasekhar Ramaraj	Mr. Richard Nicholas Launder	Mrs. Sarita Jain	
1	Independent Directors					
	Fee for attending board/ committee meetings	840000.00	680000.00	480000.00	-	2000000.00
	Commission	-	-	-	-	-
	Others, specify (if any)	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	2000000.00
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	80000.00	80000.00
	Commission	-	-	-	-	-
	Others, specify (if any)	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	80000.00
	Total (B)=(1+2)	-	-	-	-	2080000.00
	Total Managerial Remuneration	-	-	-	-	2080000.00
	Overall Ceiling as per the Act	₹0.65 Crore (being 1% of the net profit, calculated as per Section 198 of the Companies Act, 2013).				

#Total managerial remuneration paid to Managing Director. The Non-executive directors are not being paid any remuneration except sitting fees.

**C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	CFO & Company Secretary	Total (₹)
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	5422509.00	6660326.00	12082835.00
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	2400000.00	-	2400000.00
5	Others (Employer's Provident Fund)	432000.00	310982.00	742982.00
	<b>Total (INR.)</b>	<b>8254509.00</b>	<b>6971308.00</b>	<b>15225817.00</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman & Managing Director)

DIN : 00122942

Date: April 23, 2016

Place: Kolkata

## Annexure "E" to Directors' Report

Statement of Particulars of employees pursuant to the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation/	Remuneration	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
		Nature of Duties	Received [₹]					
1	2	3	4	5	6	7	8	9
1	Vijendra Kumar Surana	CFO & COMPANY SECRETARY	6971308.00	B.COM (HON), FCA, AICWAI, ACS, MBA (ICFAI)	21	44	November 02, 2007	VISA INTERNATIONAL.
2.	Ashok Kumar Gaur	VP OPS & PRODUCTIVITY ENHANCEMENT	7036690.00	B.E.	28	49	June 18, 2012	Cambridge Solutions Ltd an Xchanging Company.

**Notes:**

- All appointments are / were non-contractual.
- Remuneration as shown above comprises of Salary, Leave Salary, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund.
- None of the above employees is related to any Director of the Company.

Statement pursuant to Section 197(12) read with Rule 5(1) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sl. No.	Name of the Directors	Remuneration (₹)	Median Remuneration of employees (₹)	Ratio
1.	Mr. Rajnit Rai Jain	8254509.00	650010.00	12.70

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the financial year:

Sl. No.	Name	Designation	Remuneration of previous year (₹)	Remuneration of Current year (₹)	% increase
1	RAJNIT RAI JAIN	CHAIRMAN & MANAGING DIRECTOR	7253053.00	8254509.00	14%
2.	MR. SHITAL KUMAR JAIN	DIRECTOR	700000.00	840000.00	20%
3.	MR RAJASEKHAR RAMARAJ	DIRECTOR	580000.00	680000.00	17%
4.	MR RICHARD NICHOLAS LAUNDER	DIRECTOR	360000.00	480000.00	33%
5.	MRS SARITA JAIN	DIRECTOR	40000.00	80,000.00	100%
6.	VIJENDRA KUMAR SURANA	CFO & COMPANY SECRETARY	6391768.00	6971308.00	9%

- iii. The percentage increase in the median remuneration of employees in the financial year:

Median remuneration of previous year (₹)	Median remuneration of current year	%increase
640087.00	650010.00	1.55%



- iv. The number of permanent employees on the rolls of company: 462 Nos.
- v. The explanation on the relationship between average increase in remuneration and company performance: The Profit after Tax for the financial year 2015-16 decreased by 84% and Median Remuneration increased by 1.55%.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: The details provided in Point No. (ix) below.
- vii. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

Sl. No.	Parameters	%
1	Market Capitalization	52% decreased
2	PE ratio	206% increased

Percentage increase over / decrease in the market quotation of shares of the Company as compared to the rate at which the Company came out with the Initial Public Offer (IPO) in 1994. An amount of ₹1000 /- invested in the said IPO would be worth ₹10508.80 as on March 31, 2016 indicating Compounded Annual Growth Rate of 11.85%. This is excluding the dividend accrued thereon.

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Sl. No.	Particulars	Average % increase
1	Increase in salary of KMP	7%
2	Increase in salary of employee ( other than KMP)	8%

- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Sl. No.	Name of the KMP	Designation	Increase in remuneration as compared to company performance
1	RAJNIT RAI JAIN	CHAIRMAN & MANAGING DIRECTOR	Increase in Remuneration 14% Decrease in Company Performance 84%
2	VIJENDRA KUMAR SURANA	CFO & COMPANY SECRETARY	Increase in Remuneration 9% Decrease in Company Performance 84%

The company performance has decreased to 84% for the year under review in comparison to its previous year performance.

- x. The key parameters for any variable component of remuneration availed by the directors;
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Remuneration of highest paid director (₹)	Remuneration of employees who receive remuneration exceeding highest paid director (₹)	Ratio
8254509.00	-	-

- xii. Affirmation that the remuneration is as per the remuneration policy of the company;

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman & Managing Director)

DIN : 00122942

Date: April 23, 2016

Place: Kolkata

# Annexure "F" to Directors' Report

Particulars pursuant to Section 134 (3)(m) of the Companies Act, 2013

[Rule 8 (3) of the Companies (Accounts) Rules, 2014]

## A. Details of Conservation of Energy:

The Company uses electric energy for all its equipment such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve energy.

- Through periodic energy audits to identify potential areas for saving
- By incorporating energy- efficient equipment
- Through automation i.e., using timers, automatic level controllers etc.

## B. Technology Absorption

The details are given below:

<b>(a) Research &amp; Development</b>		
1.	Specific area in which R & D work has been done by the Company	: Technology research was done in RS Payments Lab on distributed data processing architecture like Hadoop, real time analytics frameworks like Spark, Storm, Machine Learning techniques, Predictive Analytics and Tokenization standards from EMVCo. New courses were created and offered to internal employees. We have also offered specific training on Tokenization to the employees of our customer. The same was conducted across 5 US locations covering more than 200 attendees.
2.	Benefits expected from the R & D	: The competence built is helping the company gain mileage to acquire new customers and assure value added services to all customers. Going ahead the company plans to actively acquire new customers using the knowledge and competency acquired.
3.	Future plan of action	: Continue technology exploration on Faster Payments, API-zation of Platform Data Lake, Data Ingestion and Entity Resolution, Digital Commerce, Targeted Loyalty, Digital Payments Platform, Open Source software across solution areas and use of Blockchain as solution enabler. We would like to increase the number of self-service courses so that it can be administered without location constraint.
<b>(b) Technology Absorption, Adaptation and Innovation</b>		
1.	Efforts made towards technology absorption, adaptation and innovation	: Technology exploration and absorption was done in RS Payments Lab on API development and management, building micro services, Tokenization, Wallets like ApplePay, SamsungPay, EMV Test Certification. Open Source software products were reviewed, explored and then used for highly scalable and available systems.
2.	Benefits derived as a result of the above efforts	: The efforts are translating to business growth with existing customers as well as build a rich service portfolio for new customer accounts. Going ahead the company plans to actively acquire new customers using the knowledge and competency acquired.
<b>c Earnings and Expenditures in Foreign Currency</b>		
1.	Initiatives like increasing exports, development of new export markets etc. to earnings in foreign currency.	: Nil
2.	Earning in Foreign Currency (₹ in Lacs)	16143.08
3.	Expenditure in Foreign Currency (₹ in Lacs)	10049.39

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman & Managing Director)

DIN : 00122942

Date: April 23, 2016

Place: Kolkata

# Annexure "G" to Directors' Report

## Report on CSR Activities/ Initiatives

[Pursuant to Section 135 of the Act & Rules made thereunder]

This policy which lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large along with the company's philosophy for delineating its responsibility as a corporate citizen is titled as the 'R.S. SOFTWARE CSR Policy'.

The CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms.

### 1. The composition of the CSR Committee

#### Constitution of CSR committee

Name of Chairman: Mr. Rajnit Rai Jain

Name of Member: Mr. Shital Kumar Jain

Name of Member: Mr. RajasekharRamaraj

Terms of reference of CSR committee

- Eradicating hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- Promoting education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women; setting up homes and hostels for women and orphans, setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, and Paralympics sports and Olympic sports.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.

#### Financial Details

The provisions pertaining to Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 are applicable to the Company. A summary of the financial details as sought by the Companies Act, 2013 are as follows:–

Particulars	Amount (₹ in lacs)	
	2016	2015
Average net profit before tax of the Company for the last three financial years**	3168.88	2210.20
Prescribed CSR expenditure (2% of the average net profit as computed above)	63.38	44.20
Amount allocated	63.38	109.40
CSR expenditure during the financial year :	11.75	75.00
Amount unspent, if any	51.63	-

\*\* Excluding appropriated Branch Profit.

The details of the amount spent during the financial year are detailed below:

(₹ in lacs)

SL. No.	CSR Project/ Program Name	Sector	Location of project / program	Amount outlay (budget)	Amount spent on the projects or programs	Cumulative spend up to the reporting period	Amount spent direct/ through external agency
1.	Health Care and Social Welfare Projects	Eradicating hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water and social welfare	Eastern Region	11.00	11.75	11.75	11.75

#### Responsibility statement:

We hereby confirm that the implementation of the Policy and monitoring of the CSR projects and activities is in compliance with CSR objectives and CSR Policy of the Company.

For and on behalf of Corporate Social Responsibility Committee

Sd/-

Sd/-

Date: April 23, 2016

**Mr. Rajnit Rai Jain**

**Mr. Shital Kumar Jain**

Place: Kolkata

DIN:00122942

DIN:00047474

*Chairman of Committee  
(Chairman & Managing Director)*

*Member of Committee  
(Director)*

# Annexure "H" to Directors' Report

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto**

### 1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

### 2. Details of contracts or arrangements or transactions at arm's length basis

#### (a) Name(s) of the related party and nature of relationship

##### Enterprises where control exists:

Wholly Owned Subsidiaries:	% of holding	Country of Incorporation
Responsive Solutions. Inc.	100%	USA
R.S. Software (Asia) Pte. Ltd.	100%	Singapore

##### Key Management Personnel:

Mr. Rajnit Rai Jain	–	Chairman & Managing Director
Mr. Vijendra Surana	–	CFO & Company Secretary

#### (b) Nature of contracts/arrangements/transactions

##### Disclosure of transactions between the Company and Related Parties and the status of outstanding balances

With Wholly Owned Subsidiary (WOS)

Particulars	March 31, 2016 Amount (₹ in Lacs)
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon.	170.58
<b>Responsive Solutions, Inc.</b>	
Reimbursing the subsidiary towards service rendered by them at a commission margin.	1421.69
<b>R.S. Software (Asia) Pte. Ltd.</b>	
Reimbursing the Other Cost from subsidiary on actual.	1187.89
<b>R.S. Software (Asia) Pte. Ltd.</b>	
Balance as on March 31, 2016 :	
Advance taken against services	
<b>Responsive Solutions, Inc.</b>	NIL
Reimbursement of expenses payable	
R.S. Software (Asia) Pte Ltd	NIL
Maximum balance outstanding during the year	
Advance taken against services	36.12
Responsive Solutions, Inc.	
Reimbursement of expenses payable	35.58
<b>R.S. Software (Asia) Pte Ltd</b>	

**With Related parties**

Particulars	March 31, 2016 Amount (₹ in Lacs)
Remuneration to Key Personnel:	
- Directors (Sitting Fees)	20.80
- Managing Director	82.55
- Relative of Managing Director	120.40

(c) Duration of the contracts / arrangements/transactions: 7 years from 1st April, 2009.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Arrangement has been entered into cost plus approach.

(e) Date(s) of approval by the Board, if any: 1st May, 2009.

(f) Amount paid as advances, if any: Nil.

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman & Managing Director)

DIN : 00122942

**Date:** April 23, 2016

**Place:** Kolkata

## Annexure "I" to Directors' Report

As per clause 49(II)(A) of Listing Agreement upto 30.09.2015 and Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.e.f 01.12.2015.

### A. Corporate Governance and Disclosures

Corporate Governance is a combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term Shareholder value and enhances interest of other Stakeholders.

The Company recognizes that good Corporate Governance is a continuous exercise and always acts as a good corporate citizen which is inherent in the culture of the Organization. The Company believes in good and ethical Corporate Governance practices and follows the same by adopting fairness, transparency and accountability in all its operations as an on-going exercise. The Company believes that these aspects by and large set out for adequate, appropriate and timely corporate disclosures on relevant matters consistent with ethical business conduct by the Corporate Management so as to turn out performance which is fair, true and transparent and takes as much care of the interests of the Corporate Management as of its various stakeholders including shareholders, employees, debtors and creditors and is equally responsive to the requirements of various governmental and regulatory agencies.

### B. The Board of Directors

The Board of Directors of the Company have an optimum combination of executive and non-executive directors with at least 1(One) woman director and not less than 50(Fifty) percent of the Board of Directors comprising non-executive directors. Your Company has 5(Five) Directors consisting of

2(Two) Promoter Directors of which 1(One) is an Executive Director who is the Chairman & Managing Director, 1(One) Women Director who is Non-Executive Non Independent Director and three Non-Executive Independent Directors. During the fiscal 2015-2016 the Board met on 4(Four) occasions as per the statutory requirements as follows:

- 1) April 17, 2015, 2) July 9, 2015, 3) October 16, 2015 and 4) January 23, 2016 respectively.

The maximum time gap between any consecutive meetings did not exceed 120 (One Hundred Twenty) days.

In Compliance with Regulation 25 of SEBI Listing Regulations, 2015, none of the Directors on the Board serve as an Independent Director of more than 7(Seven) listed companies across all companies under which he/she is Director. Further, the Director on the Board serving as a Whole time Director in a listed company is not serving as an Independent Director of more than 3(Three) listed companies across all companies in which he is a Director. Further in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the board hold directorship in more than 20(Twenty) companies at the same time with the directorship in public companies not exceeding 10(Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other listed entities / public limited companies (Whether listed or not) in accordance with Regulation 25 and 26 of SEBI Listing Regulations, 2015 and Companies Act, 2013.

The Composition of the Board of Directors as on March 31, 2016 is in conformity with the provision of Section 149 of the companies Act, 2013 and Regulation 17(1) of the SEBI Listing Regulations, 2015. The details of the Board of Directors as on March 31, 2016 are as under:

Sl.No.	Directors	DIN	Category
1.	MR.SHITAL KUMAR JAIN	00047474	Independent Director
2.	MR.RAJASEKAR RAMARAJ	00090279	Independent Director
3.	MR.RAJNIT RAI JAIN (Chairman & Managing Director)	00122942	Executive Director
4.	MRS.SARITA JAIN	00206743	Non-Executive Director
5.	MR.RICHARD NICHOLAS LAUNDER	03375772	Independent Director

In accordance with the provision of Companies Act, 2013 and clarifications/ circulars issued from time to time, the Company has appointed Mr. Shital Kumar Jain (DIN 00047474), Mr. Rajasekar Ramaraj (DIN 00090279) and Mr. Mr. Richard Nicholas Launder (DIN 03375772), as Independent Directors of the Company to hold office for a period of 5(Five) consecutive years from the date of the

Twenty Sixth Annual General Meeting of the Company held on July 18, 2014.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the tests of their being independent as laid down under section 149(6) of the Companies Act, 2013 and

erstwhile Clause 49 of the Listing Agreement and Regulation 16 of the SEBI Listing Regulations, 2015.

### Meeting of Independent Director (IDs)

Independent Directors met on 23rd January, 2016 without the presence of the Chairman & Managing Director and other Non-Executive & Non-Independent Director and the Management Team. The meeting was attended by all the Independent Directors and enables them to:

- review the performance of non-independent directors and the Board as a whole
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Familiarizations Programme for IDs

In terms of Regulation 25(7) of the Listing Regulations the Company has conducted the Familiarization Programme for Independent Director to familiarize them about the company including the nature of the industry in which the Company operates, business model of the Company, roles, rights, responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of the SEBI Listing Regulations, 2015, the Company is required to disseminate on its Website, details of Familiarization programme imparted to IDs including the details of i) number of programmes attended by IDs (during the year and on a cumulative basis till date), ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and iii) other relevant details.

The familiarization programme was conducted on April 15, 2015. As a part of the first programme, presentation made to the Independent Directors on the topic "Roles

and Responsibilities of Independent Directors" giving a brief overview of layout of Companies Act, 2013, duties of directors and provisions relating to the roles, rights, responsibilities of Independent Directors under various statutes and regulations.

### Performance Evaluation

The Nomination & Remuneration Committee of your Company has formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provision of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and under Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, 2015 with Stock Exchanges.

Based on these criteria, the performance of the Board various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Individual Directors (including Independent Directors) was evaluated.

During the year under review, the Independent Directors of your Company reviewed the performance of Non-Independent Directors and Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The information flow between your Company's Management and the Board is complete, timely with good quality and sufficient quantity.



### Composition, category and other relevant details of Directors alongwith Attendance of each director at the meeting of the board of directors and the last Annual General Meeting.

The table below gives the details of Directors attendance at the Board Meetings and at the last Annual General Meeting and information regarding Directorship, Committee Membership and Chairmanship in other Companies:

Name of the Directors	Attendance Particulars				Number of other Directorship, Committee Membership and Chairmanship			No. of shares and convertible instruments held #	Relation-ship with other Directors
	Board Meetings		Category	Last AGM	Other Director-ship @	Commit-tee Member-ship #	Commit-tee Chairman-ship #		
	Held	Attended							
Mr. Rajnit Rai Jain (Chairman & Managing Director)	4	4	Executive Director	Yes	-	-	-	9756648 Equity Shares	Relative of Mrs. Sarita Jain
Mr. Shital Kumar Jain (Director)	4	4	Non- Executive & Independent Director	Yes	3	2	-	Nil	-
Mrs. Sarita Jain (Director)	4	2	Non-Executive & Non Independent Director	No	-	-	-	366544 Equity Shares	Relative of Mr. Rajnit Rai Jain
Mr. Rajasekhar Ramaraj (Director)	4	4	Non- Executive & Independent Director	Yes	5	4	2	68400 Equity Shares	-
Mr. Richard Nicholas Launder (Director)	4	4	Non- Executive & Independent Director	Yes	-	-	-	48400 Equity Shares	-

@ Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

#Only Audit Committee and Stakeholders Relationship Committee has been considered as per regulation 26 of SEBI (LODR) 2015

## Code of Conduct

The Company has adopted a Code of Conduct specifically for the members of the Board of Directors and/or members of the Senior Management of the Company, which sets out as follows:

The Company's Code of Conduct is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the same has been provided elsewhere in this Annual Report.

It is hereby declared that the company has obtained from all Board Members and Senior Executives an affirmation that they have complied with the code of conduct for financial year 2015-16.

### 1. Conflict of Interest

- To conduct them ethically and honestly and act in the interests of the Company
- To avoid situations that might lead to a conflict between his personal interests and the interests of the Company.

Although it is difficult to describe all situations, which could create a conflict of interest, the following are some examples:

- Working for a competitor/ supplier/ client while working for the Company. To serve as a Director/Employee in Top Executive Management of any Company that competes with the Company. One may accept Directorship or Employment of a Company / Supplier or Business Partner only after obtaining approval from the Company's Legal Department.
- Accepting gifts/ receiving discounts from competitors
- Personally taking a business opportunity that arises due to a Senior Manager's position
- Receiving a loan or a guarantee or an obligation arising due to his position

### 2. Confidential Information

- Each Director & Senior Manager is expected to protect

the Company's confidential proprietary business information.

- Each Director & Senior Manager's commitment is evidenced by a confidentiality agreement.
- Being a Director / Senior Member, one is expected to keep certain information confidential which have been discussed in the Senior Management Meetings.
- Re-enforcing the confidentiality agreement as stated in the appointment terms and conditions as well as in the service rule of the Organization
- Only authorized Company spokesperson may communicate with the press on behalf of the Company.

### 3. Public Disclosures

The Company is committed to all of its public disclosures and reports being full, fair, accurate, timely and understandable.

### 4. Legal Compliance

The Company recognizes to conduct its business with honesty, integrity and in full compliance with all applicable laws, rules and regulations. All Directors & Senior Managers are required to abide by the statutory requirements.

### 5. Share Transactions

All Board Members & Senior Managers should report their holding in the Company. There should exist a block period of two weeks (before the quarterly results etc.) when one cannot trade in the Company's securities.

In accordance with the SEBI Guidelines, one is expected to refrain from "Insider trading" by misusing any unpublished price-sensitive information.

### 6. Fair Business Practices

Each Director / Senior Manager of the Organization is committed to conduct business fairly without engaging in corrupt practices and unfair competition. Therefore, manipulation, concealment, abuse of privileged information, misrepresentation of facts is not considered as fair business practice.

### 7. Supporting Loyalty & Respect

Each Director & Senior Manager will abide by and promote Company's environment of mutual trust and loyalty. If any Director / Senior Member breach this trust, then he/ she will be subject to appropriate corrective action including dismissal or removal from office.

### 8. Open Communication

Each Senior Manager is encouraged to discuss concerns raised by anyone in the Company, or report any suspected breach to CMD. The Company will not tolerate any form of retaliation for reports or concerns that were made in good faith.

### 9. Corporate Policy Awareness

All Senior Managers must be aware of all the corporate policies governing the Code of Conduct of employees and the Company's Management System.

### 10. Company Branding

All Director & Senior Managers are expected to give responsible views about the Company and its performance.

### 11. Black out Period

All Directors & Senior Managers are expected to adhere to black out policy during which trading window is closed for them.

### Amendment of the Code

The Company recognizes that only the Chairman & Managing Director of the Company may amend this Code as and when required.

### Violation of the Code of Conduct

If there is a violation of the above-mentioned Code of Conduct by any of the Senior Managers, depending on the seriousness/ severity of the issue will be taken up by a Committee, headed by the CMD of the Company for appropriate action as deemed fit.

## Code of Conduct for Independent Directors

The Company has adopted additional Code of Conduct for the Independent Directors of the Board, which is as follows:

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising duties;
- (3) Exercise their responsibilities in a bona fide manner in the interest of the company;
- (4) Devote sufficient time and attention to professional obligations for informed and balanced decision making;
- (5) Not allow any extraneous considerations that would vitiate their interests of the company as a whole, while concurring in or dissenting from the collective judgments of the Board in its decision making;
- (6) Not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage for any associated person;
- (7) Refrain from any action that would lead to loss of their independence;
- (8) Where circumstances arise which make an independent director lose the independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

## C. AUDIT COMMITTEE

### Composition

Pursuant to section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, 2015 the Audit Committee is constituted by 2(Two) Non-Executive Independent Directors and 1(One) Executive Director who is the Chairman & Managing Director of the Company. The Chairman of the Committee is among the Non-Executive Independent Directors. Mr. Vijendra Kumar Surana, the CFO & Company Secretary services the said Committee Meetings:

The constitution of the Committee, number of meetings held and attendance of the members are given below:-

Members	Category	Audit Committee Meetings	
		Held	Attended
Mr. Shital Kumar Jain (Chairman of the Audit Committee)	Non –Executive & Independent Director	4	4
Mr. Rajnit Rai Jain	Executive Director	4	4
Mr. Rajasekhar Ramaraj	Non- Executive & Independent Director	4	4

### Meetings:

4(Four) meetings of the Audit Committee were held during the year 2015-16 on April 17, 2015, July 9, 2015, October 16, 2015 & January 22, 2016 and the necessary quorum was present in all the meeting as required by SEBI Listing Regulations, 2015. The maximum time gap between any consecutive meetings did not exceed 120 (One Hundred Twenty) days. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Internal Auditor of the Company is invited to attend the Audit Committee meetings. The Chairman of the Audit Committee strives to be present at the Annual General Meeting to answer the shareholders queries, if any.

### Terms of Reference:

The Audit Committee is formulated & defined in line of section 177 of Companies Act 2013 read with regulation 18 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015; the committee shall act in accordance with the terms of reference specified by board which shall, inter alia, include—

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- The recommendation to board for appointment, re-appointment, remuneration, terms of appointment of Auditor and if required the replacement or removal of Auditors of the company.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process.
- Reviewing with management, performance of Statutory & Internal Auditor, adequacy of Internal Control System, scope of audit and note the observation of Auditors.
- Examination & review of the Annual financial statement, auditors' report with management before submission to board with particular reference to :
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Review, approve or any subsequent modification of transactions of the company with related parties and to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis subject to the approval of the Board
- reviewing with management quarterly, half yearly financial statement before submission to board for approval;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the statement of uses /application of funds rose through an issue & other related matter and make appropriate recommendations to the Board.

- Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- The review the functioning of Vigil Mechanism /Whistle Blower Policy adopted for Directors & employees of the company to report their genuine concerns and shall have direct access to the chairperson of the Audit Committee in appropriate or exceptional cases
- Scrutiny of Inter corporate Loans & Investments.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- Approval of appointment/ removal including terms of remuneration of Chief Financial Officer. (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after

assessing the qualifications, experience & background, etc. of the candidate.

### Statutory Audit Observations

While reviewing the financial records for the year under report, the Audit Committee took note that there were no observations of the Statutory Auditors.

## D. STAKEHOLDERS RELATIONSHIP COMMITTEE

### Composition & terms of reference

Shareholders Servicing & Grievance Committee has been renamed as Stakeholders Relationship Committee in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee which comprises of two Directors, Mr. S.K. Jain (Non- Executive & Independent Director) who is the Chairman of the Committee and Mr. R.R. Jain (Chairman & Managing Director) and Mr. Vijendra Kumar Surana, CFO & Company Secretary, services this Committee and he may also be co-opted as a member in case of need. Mr. Vijendra Kumar Surana is also the Compliance Officer of the Company. This Committee additionally monitors the relationship with Stakeholders including Shareholders, Employees, Customers, Vendors, Government and Society. Such meetings are held on quarterly basis and the Shareholders' complaints and grievances are reviewed in detail by the Committee and prompt and effective directions are given to the Registrars for proper disposal.

The constitution of the Committee, number of meetings held and attendance of the members are given below:-

Members	Category	Stakeholders Relationship Committee Meetings	
		Held	Attended
Mr. Shital Kumar Jain (Chairman of the Committee)	Non –Executive & Independent Director	4	4
Mr. Rajnit Rai Jain	Executive Director	4	4

### Meetings:

4(Four) meetings of the Stakeholder's Relationship Committee were held during the year 2015-16 on April 16, 2015, July 9, 2015, October 15, 2015 & January 22, 2016 and the necessary quorum was present in all the meeting as required by SEBI Listing Regulations, 2015. The maximum time gap between any consecutive meetings did not exceed

120 (One Hundred Twenty) days.

During the Financial Year ended March 31, 2016, the Company received 5(Five) complaints from the Shareholders / Investors of the Company and all the aforesaid Complaints were resolved to the satisfaction of the Shareholders / Investors and none of the complaints were pending as on that date.

Particulars	Details
Number of complaint at the beginning of the year	Nil
Number of Shareholder's Complaints received during the year	5
Number of complaint not solved to the satisfaction of shareholders	5
Number of pending complaints at the end of the year	Nil

### SEBI SCORES

No complaints are pending to be resolved as on date as per SEBI SCORES as well.

## E. NOMINATION & REMUNERATION COMMITTEE:

### Composition:

Pursuant to the provisions of section 178 of the Companies Act, 2013 and as per Regulation 19 of the SEBI Listing Regulations, 2015 the Nomination & Remuneration Committee of the Company comprises of 3(Three) Non-Executive Independent Directors and 1(One) Executive Director, who is the Chairman & Managing Director of the Company. The Chairman of the Committee is among the Non-Executive & Independent Directors.

### Terms of reference:

The committee is primarily responsible for:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, KMP and other employees
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of evaluation of independent directors.
- Identifying and assessing potential individuals in accordance with the Criteria laid down for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel / senior management and recommend to the Board their appointment and removal
- Formulate the criteria for performance evaluation of independent directors and the Board of directors.
- Devise a policy on Diversity of Board of Directors.
- Periodically reviewing the size and composition of the Board to ensure that the structured commensurate with the requirement of the company.

Further this Committee recommends and reviews the Compensation packages of the individuals and grant of ESOP (Refer: Annexure 'A' to Directors Report) to eligible candidates. The Compensation Policy is directed towards rewarding performance based on review of achievements on a periodical basis and has the overall approval from the Board of Directors.

The constitution of the Committee, number of meetings held and attendance of the members are given below:-

Members	Category	Nomination & Remuneration Committee Meetings	
		Held	Attended
Mr. Shital Kumar Jain (Chairman of the Committee)	Non –Executive & Independent Director	3	3
Mr. Rajnit Rai Jain	Executive Director	3	3
Mr. Rajasekhar Ramaraj	Non- Executive & Independent Director	3	3
Mr. Richard Nicholas Launder	Non-Executive & Independent Director	3	3

### Meetings:

3(Three) meetings of the Nomination & Remuneration Committee were held during the year 2015-16 on April 16, 2015, October 16, 2015 & January 22, 2016 and the necessary quorum was present in all the meeting as required by SEBI Listing Regulations, 2015. The maximum time gap between any consecutive meetings did not exceed 120

(One Hundred Twenty) days.

### Performance Evaluation Criteria for Independent Directors:

During the year under review, the Board followed the same formal mechanism for evaluating its annual performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The

exercise was carried out through a structured evaluation process, whereby a structured questionnaire were prepared covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Diversity of the Board.
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities,

community cohesion and health and safety in the workplace;

- Having continuous professional development to refresh knowledge and skills.
- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills

### Remuneration Policy

Remuneration policy of the R.S. Software (India) Ltd comprising members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel (SMP or "LT") of the Company.

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The Company's Remuneration Policy is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the said policy has been provided elsewhere in this Annual Report.

### Remuneration paid to the Directors (in ₹)

Name of the Director	Basic Salary	House Rent Allowance	Retiral Benefit	Other Allowances	Sitting Fees	Stock Option Details	Total Amount Paid
Mr. Rajnit Rai Jain	3600000.00	1800000.00	432000.00	2422509.00	-	-	8254509.00
Mr. Rajasekhar Ramaraj	-	-	-	-	680000.00		680000.00
Mr. Shital Kumar Jain	-	-	-	-	840000.00		840000.00
Mrs. Sarita Jain	-	-	-	-	80000.00		80000.00
Mr. Richard Nicholas Launder	-	-	-	-	480000.00		480000.00

## F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### Composition:

Pursuant to the provisions of section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Company comprises of 2(Two) Non-Executive Independent Directors and 1(One) Executive Director, who is the Chairman of the Committee. The Chairman of the Committee is the Executive Director.

The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects for programmes or activities undertaken by the Company etc. The Company's CSR Policy is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the said policy has been provided elsewhere in this Annual Report.

exercise was carried out through a structured evaluation process, whereby a structured questionnaire were prepared covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Diversity of the Board.
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities,

community cohesion and health and safety in the workplace;

- Having continuous professional development to refresh knowledge and skills.
- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills

**Remuneration Policy**

Remuneration policy of the R.S. Software (India) Ltd comprising members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (SMP or “LT”) of the Company.

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The Company’s Remuneration Policy is available on the company’s website [www.rssoftware.com](http://www.rssoftware.com) and a link to the said policy has been provided elsewhere in this Annual Report.

The constitution of the Committee, number of meeting held and attendance of the members are given below:-

Members	Category	CSR Committee Meeting	
		Held	Attended
Mr. Shital Kumar Jain	Non –Executive & Independent Director	1	1
Mr. Rajnit Rai Jain (Chairman of the Committee)	Executive Director	1	1
Mr. Rajasekhar Ramaraj	Non- Executive & Independent Director	1	1

**Meetings:**

1( One) meeting of the CSR Committee was held during the year 2015-16 on January 23, 2016 and the necessary quorum was present in all the meeting as required by SEBI Listing Regulations, 2015. The maximum time gap between any consecutive meetings did not exceed 120 (One Hundred Twenty) days.

**G. Executive committee:**

**Composition:**

The Executive Committee of the Company comprises of 3

(Three) Non-Executive Independent Directors and 1(One) Executive Director, who is the Chairman & Managing Director of the Company. The Chairman of the Committee is the Executive Director.

**Terms of reference:**

This Committee reviews the operations of the company and directs the strategy of the company with focus on growth. It reviews the company from different aspects with respect to Sales, Delivery and other Processes. It guides the market directions and future strategy of the Company.

The constitution of the Committee, number of meetings held and attendance of the members are given below:-

Members	Category	Executive Committee Meetings	
		Held	Attended
Mr. Rajnit Rai Jain (Chairman of the Committee)	Executive Director	4	4
Mr. Shital Kumar Jain	Non-Executive & Independent Director	4	4
Mr. Rajasekhar Ramaraj	Non-Executive & Independent Director	4	4
Mr. Richard Nicholas Launder	Non-Executive & Independent Director	4	4

### Meetings:

4(Four) meetings of the Executive committee were held during the year 2015-16 on April 16, 2015, July 9 & 10, 2015, October 15, 2015 & January 22 & 23, 2016 and the necessary quorum was present in all the meeting as required by SEBI Listing Regulations, 2015.

### H. General Body Meetings

Location and time, where last three annual general meetings (AGMs) were held:

Year	Day, Date & time	Venue	Special resolution passed
2012-13	Thursday, 18th July, 2013 at 11:30 AM	Rabindra-Okakura Bhawan, Paschimbanga Bangla Academy, 27A/1 DD Block, Salt Lake City, (Near to City Centre I, Salt Lake), Kolkata – 700 064	Approval of the Company's Employee Stock Option Scheme (ESOP).
2013-14	Friday, 18th July, 2014 at 11:30 AM	'Rabindra Tirtha', 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata – 700156	1) Re-appointment of Mr. Rajnit Rai Jain as the Chairman & Managing Director of the Company. 2) Payment of remuneration to non-executive directors.
2014-15	Friday, 10th July, 2015 at 1:30 P.M	'Rabindra Tirtha', 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata– 700156	–

### I. Subsidiary Companies

The Company has two wholly owned Subsidiaries; one in USA and the other at Singapore, both are non-listed Companies.

### J. Disclosures

#### • Related Party Transactions:

There were no materially significant transactions with related parties i.e. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interests, save and except as mentioned in the Schedule of Accounts.

The Company has formulated Related Party transactions (RPT) Policy which provides a framework to regulate transaction between the Company and its related parties based on laws and regulations applicable to the Company. The Company's RPT Policy is available on the company's website [www.rsssoftware.com](http://www.rsssoftware.com) and a link to the said policy has been provided elsewhere in this Annual Report.

Every Related Party Transactions are subject to the prior approval of the Audit Committee in compliance with the conditions contained in Reg. 23(2) of the Listing Regulations.

- Details of non compliance by the Company, penalties, strictures imposed on the company.



There were no instances of non-compliance by Company imposed by either Stock Exchange or Securities and Exchange Board of India (SEBI) or any statutory authority on any matter related to the capital markets during the last 3 years.

- **Whistle Blower Policy (Vigil mechanism)**

Your Company is serious about its adherence to the codes of Conduct and to achieve at par with the highest standards of ethical, moral and legal conduct of business operations and henceforth encourage its employees to bring ethical and legal violations they are aware of to an internal authority without fear of punishment or unfair treatment so that action can be taken immediately to resolve the problem. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. Thus minimization of organization's exposure to the damage that can occur when employees circumvent internal mechanisms is the main objective which neither releases employees from their duty of confidentiality in the course of their work, nor can it be used as a route for raising any malicious allegations against people in authority and / or colleagues in general. Your company has given affirmation that no personnel have been denied access to the Audit Committee. The Company's Whistle Blower Policy is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the said policy has been provided elsewhere in this Annual Report.

- **Compliance with Mandatory requirements and adoption of the non-mandatory requirements of this clause:**

Pursuant to said clause, all mandatory requirements are disclosed herein the report further board has also fulfilled the non mandatory requirement in connection with the following:

- The Auditors have expressed no qualification in their report for the year ended 31st March 2016
- The Internal auditor reports to the Audit Committee

- **Reconciliation of Share Capital Audit:**

The Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total

admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

- **Policy for Determining Materiality of an event or information and for making disclosures to Stock Exchanges:**

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges which is effective from December 1, 2015 and same is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the same has been provided elsewhere in this Annual Report. The Board of Directors of the Company has authorized Company secretary & Chief Financial Officer to determine materiality of an event or information and for making disclosures to Stock Exchanges under the said regulation.

- **Code of practices and procedures for fair disclosure of unpublished price sensitive information:**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, during the year, approved and adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". The Code is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the same has been provided elsewhere in this Annual Report.

- **Prohibition of insider trading:**

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Code of Conduct for regulating, monitoring and reporting of Trading by Insider with a view to regulate trading in securities by the Directors and designated employees of the Company.. This policy also provides for periodical disclosures from designated employees as well as preclearance of transactions by such persons. The Compliance Officer is responsible for implementation of the Code. During the year under review there has been due compliance with the said code. All Board Directors and the designated employees have confirmed compliance with the Code. The Code is available on the company's website [www.rssoftware.com](http://www.rssoftware.com) and a link to the

same has been provided elsewhere in this Annual Report.

- **Compliance with accounting standard:**

The company has followed all relevant Accounting Standards notified by the Companies (Accounting Standard) Rules 2006, while preparing the Financial Statements.

None of shares of the company are lying in the Demat suspense account or unclaimed suspense account.

## K. Means of Communications

- The unaudited quarterly / half yearly results are announced within 45(Forty-five) days of the close of the quarter. The audited annual results are announced within 60 (Sixty) days from the close of the financial year as per the requirements of the erstwhile Listing Agreement with the Stock Exchanges. The aforesaid results are sent to the stock exchanges where the company shares are listed and traded as soon as approved by board.
- All material information relating to the company which are potentially price sensitive in nature matters or which could impact the continuity of the information publicly available for the company are disclosed to

stock exchange as per the Company's Policy on Material Information.

- The quarterly, half yearly and Annual Financial Results of the company are published in the newspaper in India which includes Business Standards (English) – All India Edition and in and in Aajkaal, vernacular newspaper (Bengali).
- The quarterly, half yearly and Annual Financial Results of the company along with Annual Report and other statutory filings are posted on the website of the company [www.rssoftware.com](http://www.rssoftware.com). The website also contains information on the businesses of the Company, governance and important policies of the Company
- New and press release as available are posted on the website of the company. During the year under review there were no such news releases.
- As the company does not have any institutional investors and angel investors, so the said clause is not applicable and will be complied if in the course of action it attracts.
- The Management Discussion and Analysis Report form a part of the Annual Report.

## General Information for Shareholders and Investors

<b>Corporate HQ &amp; Registered Office:</b>	"FMC FORTUNA", 1st Floor, A-2, (234/3A, A.J.C. Bose Road), Kolkata - 700 020 Phone # 033 - 22876254/6255 / 2281 0106-09 Fax # 033- 22876256 Website: <a href="http://www.rssoftware.com">www.rssoftware.com</a>
<b>Date and Venue of Annual General Meeting:</b>	11:30 A.M. on July 21, 2016 At "RABINDRA TIRTHA", 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata – 700 0156
<b>Tentative Calendar of Events for the Financial Year 2016 – 17 (April – March)</b>	First Quarter - July 2016 Second Quarter - October 2016 Third Quarter - January 2017 Financial Year - April 2017
<b>Shareholders Services, Enquiries, Complaints</b>	<b>Mr. Vijendra Kumar Surana</b> <a href="mailto:vijendras@rssoftware.co.in">vijendras@rssoftware.co.in</a> <b>OR</b> Mr. Anindya Sen <a href="mailto:anindyasen@rssoftware.co.in">anindyasen@rssoftware.co.in</a>
<b>Financial Year</b>	From April to March

Registrars & Share Transfer Agent	<b>C.B. Management Services (P) Ltd.</b> <b>P- 22, Bondel Road, Kolkata – 700 019</b> Phone # 033-22806692/40116700/22823643/22870263 Fax # 033-40116739
Book Closure for AGM	15th July, 2016 to 21st July, 2016 (both days inclusive)
Listing on Stock Exchanges of	<b>Bombay Stock Exchange Ltd.</b> 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 <b>Stock Code: 517447</b>
	<b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051. <b>Stock Code: RSSOFTWARE</b>
Trading of Equity Shares	Equity Shares are traded through : <b>a. National Securities Depository Ltd (NSDL) and</b> <b>b. Central Depository Services Ltd (CDSL).</b> <b>Company's ISIN: INE165B01029</b>
Auditors:	<b>Chaturvedi &amp; Company</b> Chartered Accountants, <b>60, Bentinck Street, Kolkata.</b>
Bankers:	Axis Bank Ltd, ICICI Bank Ltd, Yes Bank Ltd, HDFC Bank Ltd
Attorneys & Solicitors:	<b>Sandersons &amp; Morgans</b> Royal Insurance Buildings, 5, Netaji Subhas Road, Kolkata

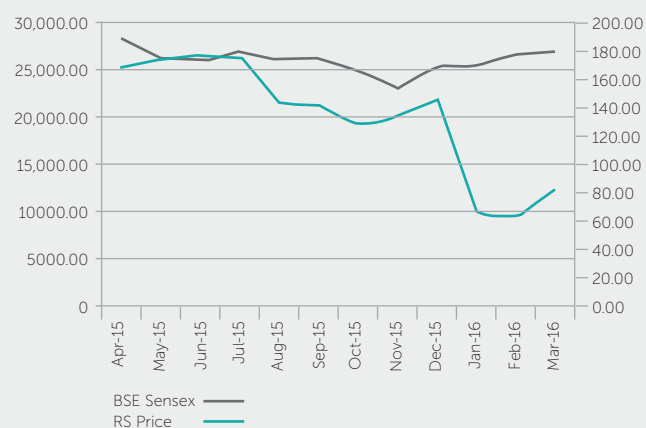
### Monthly High, Low & Closing Share Price at BSE

Month	High Price	Low Price	Close Price
Apr-15	242.80	161.30	168.60
May-15	182.50	162.00	174.10
Jun-15	192.40	151.50	176.20
Jul-15	217.50	153.60	176.10
Aug-15	189.60	133.00	143.70
Sep-15	144.70	122.00	140.10
Oct-15	176.50	124.00	128.00
Nov-15	136.70	118.40	133.10
Dec-15	147.00	124.20	144.60
Jan-16	146.90	64.40	65.30
Feb-16	75.25	57.25	62.35
Mar-16	91.30	61.05	81.90

## Monthly High, Low &amp; Closing Share Price at NSE

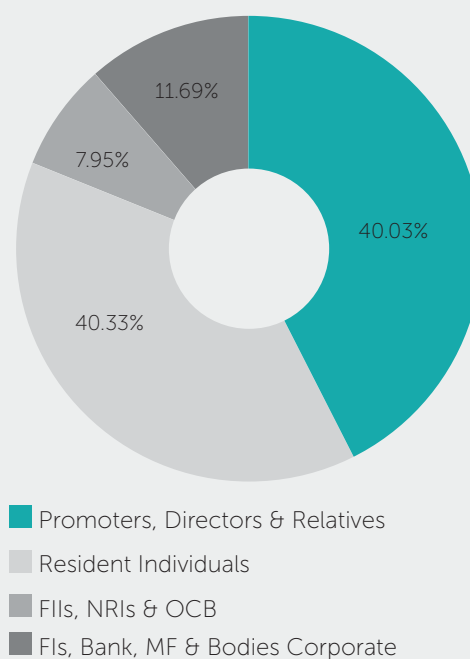
Month	High Price	Low Price	Close Price
Apr-15	243.00	161.30	168.85
May-15	183.35	163.25	174.15
Jun-15	189.45	151.40	175.70
Jul-15	217.35	153.15	176.85
Aug-15	189.50	133.00	143.25
Sep-15	144.70	121.50	140.00
Oct-15	176.50	123.70	128.30
Nov-15	136.95	117.00	132.95
Dec-15	146.85	124.00	144.25
Jan-16	145.00	64.15	65.35
Feb-16	75.25	57.50	62.45
Mar-16	91.40	59.30	82.10

## RS Share Price with BSE Sensex



## Pattern of Shareholding as on March 31, 2016

Category	% of Shareholding
Promoters, Directors & Relatives	40.03
FII, NRIs & OCB	7.95
Fls, Bank, MF & Bodies Corporate	11.69
Resident Individuals	40.33
<b>Total</b>	<b>100.00</b>



## Distribution of Equity Shareholding as on March 31, 2016

Range	No. of Shareholders	% to Total Shareholders	Issued Share Capital	% to Total Share Capital
1-500	22311	83.27	15693905.00	12.22
501-1000	2531	9.45	9071270.00	7.06
1001-2000	1089	4.06	7914410.00	6.16
2001-3000	298	1.11	3738230.00	2.91
3001-4000	163	0.61	2927060.00	2.28
4001-5000	91	0.34	2120870.00	1.65
5001-10000	168	0.63	6013065.00	4.68
10001 & ABOVE	143	0.53	80987780.00	63.04
<b>TOTAL</b>	<b>26794</b>	<b>100.00</b>	<b>128466590.00</b>	<b>100.00</b>

For and behalf of the Board of Directors

Sd/-

**Rajnit Rai Jain**

(Chairman &amp; Managing Director)

DIN : 00122942

Date: April 23, 2016

Place: Kolkata

# Company Secretary Certificate Regarding Compliance of Conditions of **Corporate Governance**

To

**The Members,  
R.S. Software (India) Limited.**

1. We have examined the compliance of conditions of Corporate Governance by R.S. Software (India) Limited. (hereinafter called the Company) for the Financial Year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M R & Associates  
Company Secretaries**

**Place: Kolkata  
Date: 23.04.2016**

**M R Goenka  
Partner  
C P No.: 2551**

## CEO & CFO's Certification

**The Board of Directors  
R.S. Software (India) Ltd  
Kolkata**

Dear Sirs,

**Sub: CEO & CFO's Certification**

- (a) We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March 2016 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: April 23, 2016

Place: Kolkata

Sd/-

**Mr. Rajnit Rai Jain**

*(Chairman & Managing Director)*

*(DIN: 00122942)*

Sd/-

**Vijendra Surana**

*(Chief Financial Officer &*

*Company Secretary)*

*(Membership No. 11559 )*

## Independent Auditor's Report

To  
The Members of  
M/s. R. S. Software (India) Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of R. S. Software (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit / loss and its cash flows for the year ended on that date.

### Reports on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors Report) order, 2016 (the Order) issued by the Central Government of India in terms of section 143 (11) of the Act we give in the Annexure A, a Statement on the matters specified in paragraph 3 and 4 of the order
- (ii) As required by Section 143(3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act..
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations which would impact its financial position in its financial statements;
  - ii. The Company does not have any long term contracts including derivation contract for which there are any material foreseeable losses;
  - iii. There are no amount which are required to be transferred, to the Investors Education and Protection Fund by the Company during the year.

For **Chaturvedi & Company**  
Chartered Accountants  
(Firm Reg. No. 302137E)

**Nilima Joshi**  
Partner  
Mem. No. 52122

Place : Kolkata  
Date : 23.04.2016



## Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that

- i. a) The Company has generally maintained proper records of all tangible assets showing full particulars including quantitative details except location thereof
- (b) As explained by the Management, all the assets have been physically verified by the management during the year-end which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. (a) On the basis of examination of records and according to the information and explanation given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 1956
- (b) As the Company has not given any loans, clause iii(a) , iii(b) and clause iii(c) of paragraph 3 of 'the order' are not applicable.
- (iv) On the basis of examination of records and according to information and explanation given to us, the Company has not granted any loans, investments, guarantee and security to any person falling under section 185 of the companies act,2013
- (v) The Company has not accepted any deposits and therefore the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the companies act 2013 and the rules formed thereunder are not applicable to the company
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) a) According to information and explanation given to us and as per the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it. No statutory dues were outstanding, as at 31st March 2016 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues were outstanding, as at 31st March 2016 on account of any dispute expect that income tax order dated 19.03.2016 u/s. 143(3) of the I.T. Act for assement year 2013-14 received on 19.04.2016 showing a demand of ₹4,31,58,960/- and draft order dated 29.03.2016 u/s. 144C r.w.s 143(3) for assesment year 2012-13 showing an addition of ₹19,96,55,339/-.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanation given to us and as per the records of the Company examined by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and the records of the Company examined by us, the Company

has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Company**  
Chartered Accountants  
(Firm Reg. No. 302137E)

**Nilima Joshi**  
Partner  
Mem. No. 52122

Place : Kolkata  
Date : 23.04.2016

## Annexure B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of R. S. SOFTWARE (INDIA) LIMITED ('the Company') as on 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operative effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion of the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in responsible detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are records as necessary to permit preparation of financial statements in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Company**  
Chartered Accountants  
(Firm Reg. No. 302137E)

**Nilima Joshi**  
Partner

Place : Kolkata  
Date : 23.04.2016

Mem. No. 52122

## Balance Sheet as at March 31, 2016

₹ in Lac

Particular	Notes	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) SHARE CAPITAL	3	1,284.67	1,283.92
(b) RESERVE & SURPLUS	4	20,239.22	20,035.26
<b>2 NON-CURRENT LIABILITIES</b>			
(a) LONG TERM PROVISIONS	6	329.07	323.47
<b>3 CURRENT LIABILITIES</b>			
(a) SHORT TERM PROVISIONS	6	320.88	474.79
(b) TRADE PAYABLES	7	1,663.50	822.03
(C) OTHER CURRENT LIABILITIES	8	181.09	222.80
<b>TOTAL (1+2+3)</b>		<b>24,018.43</b>	<b>23,162.27</b>
<b>II. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) FIXED ASSETS			
(i) TANGIBLE ASSETS	9	778.19	1,057.53
(ii) INTANGIBLE ASSETS	10	84.50	143.85
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT	11	78.73	73.81
(b) NON CURRENT INVESTMENT	12	871.32	2,671.45
(c) DEFERRED TAX ASSETS (Net)	5	117.68	101.52
(d) LONG TERM LOANS & ADVANCES	13	2,116.82	2,170.75
(e) OTHER NON CURRENT ASSETS	17	1,460.15	-
<b>2 CURRENT ASSETS</b>			
(a) SHORT TERM LOANS AND ADVANCES	13	1,073.53	1,100.37
(b) CURRENT INVESTMENT	14	6,338.43	4,077.35
(c) TRADE RECEIVABLES	15	1,746.89	4,619.30
(d) CASH & CASH EQUIVALENTS	16	8,970.93	6,840.63
(e) OTHER CURRENT ASSETS	17	381.26	305.71
<b>TOTAL (1+2)</b>		<b>24,018.43</b>	<b>23,162.27</b>
Significant Accounting Policies and Notes on Accounts	1 to 41		

The Notes referred to above form an integral part of the Financial Statement.

This is the Financial Statement referred to in our report of even date.

For **Chaturvedi & Company**

Chartered Accountants

(Reg. no : 302137E )

On behalf of the Board

**Nilima Joshi**

Partner

M. No. 52122

**V. Surana**

CFO & Company Secretary

**S. K. Jain**

Director

DIN : 00047474

**R. R. Jain**

Chairman & Managing Director

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata

## Statement of Profit and Loss Account for the year ended March 31, 2016

₹ in Lac

Particular	Notes	Year ended March 31, 2016	Year ended March 31, 2015
<b>I REVENUE FROM OPERATION</b>	20	17,141.75	34,550.63
<b>II OTHER INCOME</b>	21	1,549.11	1,160.61
<b>III TOTAL REVENUE</b>		<b>18,690.86</b>	<b>35,711.24</b>
<b>IV EXPENSES :</b>			
PURCHASE OF STOCK IN TRADE	22	446.64	-
EMPLOYEE BENEFIT EXPENSES	23	11,541.46	16,835.63
SUBCONTRACTOR EXPENSES		1,823.70	4,805.63
FINANCE COST	24	21.50	15.96
DEPRECIATION	9 & 10	417.02	554.83
OPERATION AND OTHER EXPENSES	25	3,290.87	3,874.62
<b>Total</b>		<b>17,541.19</b>	<b>26,086.67</b>
<b>V PROFIT BEFORE TAX :</b>	(III - IV)	<b>1,149.67</b>	<b>9,624.57</b>
<b>VI TAX EXPENSES</b>			
PRIOR PERIOD TAX		-	-
CURRENT TAX		370.69	3,121.39
DEFERRED TAX		(16.16)	9.65
<b>VII PROFIT FOR THE PERIOD :</b>	(V - VI)	<b>795.14</b>	<b>6,493.53</b>
FACE VALUE OF SHARE		5.00	5.00
<b>VIII EARNING PER EQUITY SHARE :</b>	34		
BASIC		3.10	25.31
DILLUTED		3.10	25.29
Significant Accounting Policies and Notes on Accounts	1 to 41		

The Notes referred to above form an integral part of the Financial Statement.

This is the Financial Statement referred to in our report of even date.

For **Chaturvedi & Company**

Chartered Accountants

(Reg. no : 302137E)

On behalf of the Board

**Nilima Joshi**

Partner

M. No. 52122

**V. Surana**

CFO & Company Secretary

**S. K. Jain**

Director

DIN : 00047474

**R. R. Jain**

Chairman & Managing Director

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata

## Cash Flow Statement for the year ended March 31, 2016

₹ in Lac

Particular	Year ended March 31, 2016	Year ended March 31, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX	1,149.67	9,624.57
ADJUSTMENT FOR :		
DEPRECIATION	417.02	554.83
INTEREST PAID	21.50	37.03
FOREIGN EXCHANGE FLUCTUATION RESERVE	97.75	(46.74)
PROVISION FOR GRATUITY, LEAVE ENCASHMENT	222.93	77.11
INTEREST RECEIVED	(1,514.13)	(547.54)
DIVIDEND RECEIVED	(0.37)	(29.28)
EMPLOYEES EXPENSES AMORTIZATION	(294.38)	(119.15)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	99.99	9,550.83
ADJUSTMENT FOR :		
TRADE AND OTHER RECEIVABLES	2,872.42	16.53
LOANS AND ADVANCES AND OTHER ASSETS	(2,211.11)	(3,140.98)
TRADE PAYABLES & OTHER LIABILITIES	799.77	(514.29)
CASH GENERATED FROM OPERATIONS	1,561.07	5,912.09
CASH FLOW BEFORE EXTRAORDINARY ITEMS	1,561.07	5,912.09
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,561.07</b>	<b>5,912.09</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(83.25)	(282.80)
INTEREST RECEIVED	1,514.13	547.54
DIVIDEND RECEIVED	0.37	29.28
INVESTMENT MADE DURING THE YEAR	(460.96)	(1,323.34)
<b>NET CASH FROM INVESTMENT ACTIVITIES</b>	<b>970.29</b>	<b>(1,029.32)</b>
<b>C CASH FLOW FROM FINANCE ACTIVITIES:</b>		
PROCEEDS FROM SHARE APPLICATION	6.34	19.65
INTEREST PAID	(21.50)	(37.03)
DIVIDEND AND DIVIDEND TAX PAID	(76.85)	(991.50)
PAYMENT OF CSR FUND	(0.75)	(75.00)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(92.76)</b>	<b>(1,083.88)</b>
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<b>2,438.60</b>	<b>3,798.89</b>
OPENING CASH AND CASH EQUIVALENTS	6,840.63	3,041.74
CLOSING CASH AND CASH EQUIVALENTS	8,970.93	6,840.63

This is the Financial Statement referred to in our report of even date.

For **Chaturvedi & Company**

Chartered Accountants

(Reg. no : 302137E)

On behalf of the Board

**Nilima Joshi**

Partner

M. No. 52122

**V. Surana**

CFO & Company Secretary

**S. K. Jain**

Director

DIN : 00047474

**R. R. Jain**

Chairman & Managing Director

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata

## Notes on accounts for the year ended March 31, 2016

### 1 CORPORATE INFORMATION

R. S. Software has focused exclusively on providing software solution to electronic payment industries since its inception. The company is engaged in development, testing and maintenance of software for its clients based in different geographies. The company operates in US, UK and India.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### a) Convention

The financial statements have been prepared under the historical cost convention in accordance with the applicable Accounting Standards in India and the provisions of the Indian Companies Act, 2013.

#### b) Basis of Accounting

The Company follows accrual basis of accounting.

#### c) Revenue Recognition

Revenue is realised on time-and-material basis or Fixed Bid or Milestone as specified in the work order. Revenue from software development on time and material basis is recognised based on software developed and billed to clients as per the terms of specific contracts. Revenue from Fixed Bid contract is sent on monthly basis as per contract terms. Revenue from Milestone base contract is being recognised based on effort given during the period but the Invoice is sent to customer when the milestone is achieved as per contract. Value Added Tax in UK is not included in the income from Software development. Cheques issued in USA which are not encashed for two years are there after written back.

#### d) Fixed Assets

##### Tangible Assets

Fixed Assets are capitalized at cost inclusive of installation charges, interest & other financial charges on borrowings and other expenses for acquisition of such fixed assets till they are made operational.

##### Intangible Assets

Computer Software and License are capitalized at cost inclusive of installation charges, interest & other financial charges on borrowings and other expenses for installation of such License.

#### e) Depreciation and Amortisation

Depreciation on fixed assets is provided using the straight-line method on the basis of use full life of assets under schedule II of the Indian Companies Act, 2013. Depreciation on additions due to realignment of rupee value of foreign currency loan or fixed assets has been charged proportionately on the productive life of the assets. Intangible assets/Software Licences are amortised on there respective individual estimated useful lives on a straight line basis , commencing from the date the assets is available to the company for its use.

#### f) Investments

Long term Investments are valued at cost. Provision for diminution is made to recognize the decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually. Changes in carrying amount of investments are charged or credited to the Profit and Loss Account.

Investments, which are readily realizable and intended to be held for not more than one year from the date of investment made are classified as Current Investments. All investments other than long term investments are classified as non-current investments. Current Investment are valued at lower of Cost or Fair Value and diminution if any is considered at year end.

#### g) Foreign Currency Transaction

Foreign Currency Transactions are recorded at exchange rate prevailing at the closing of the month for respective months. Exchange difference arising on settlement was included in Profit & Loss Account till the accounts ended 30th September, 2008. Foreign unit is considered as non-integral and the foreign exchange difference is transferred to "Inter Branch Foreign Fluctuation Reserve Account". Revenue items of the Foreign Branch are converted in equivalent Indian Rupees at the buying rate prevailing at the end of the month. Assets and Liabilities of the Foreign Branch are converted in equivalent Indian rupees at the applicable rate prevailing at the

## Notes on accounts *(contd.)* for the year ended March 31, 2016

end of the year. The effect of exchange rate fluctuation in respect of fixed assets is adjusted with the cost of the respective assets. Investment in subsidiary Company is being valued at carrying cost adjusted by any non-temporary decline in their value according to the requirements of statute.

### h) Spares and Consumables

Computer spares, accessories and stationery are charged to revenue in the year they are purchased.

### i) Income Tax

Current Income tax expense comprise taxes on income from operation in India and in foreign jurisdiction. Income tax payable in India is determination in accordance with the provision of I. Tax Act 1961. Tax expense relating to foreign operation is determined in operator is determined in accordance with the laws applicable in countries where such operations are domiciled.

Advance tax and provisions for current income taxes are presented in the Balance Sheet after off setting advance taxes paid and income tax provision arising in the same tax jurisdiction and where the company intends to settle the assets and liabilities on a net basis.

Deferred Tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods.

### j) Contingent liabilities

Contingent liabilities are not accounted for but have been disclosed by way of Notes to Accounts.

### k) Employee Benefits

Contribution of Employers share to Employees' Provident Fund and ESI are worked on accrual basis and charged to Profit & Loss Account. The Company also provides for Gratuity and Leave Encashment based on actuarial valuation made by an independent actuary as per Revised AS 15 Compliance of The Institute of Chartered Accountant of India.

### l) Asset taken on Lease

Lease rentals on operating leases are charged on a monthly basis to accounts

Assets taken on Finance Lease have been capitalized during the year of agreement and charged off in accordance with the applicable rate of Depreciation.

### m) Impairment of Assets

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future post-tax cash flows of the relevant cash generating unit or fair value less cost to sell, whichever is higher. The discount rate is applied, based upon the weighted average cost of capital with appropriate adjustments for the risks associated with the relevant business. Any impairment in value is charged to the Income Statement in the year, which it occurs.

### n) Segment Reporting

The company's operating business are organised and managed as per Location of the client. Common costs are allocated to the cost based on the Revenue Mix. Unallocated costs are disclosed separately. The company prepare its segment information in conformity with the accounting policy adopted for preparing and presenting the financial statement of the Company as a whole.

### o) Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For Calculating Diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



## Notes on accounts (contd.) for the year ended March 31, 2016

### 3. SHARE CAPITAL

₹ in Lac

		Year ended March 31, 2016	Year ended March 31, 2015
<b>a</b>	<b>The AUTHORISED CAPITAL is :</b>		
	4,00,00,000 EQUITY SHARE OF ₹5/- EACH	2,000.00	2,000.00
	25,00,000 PREFERENCE SHARE OF ₹100/- EACH	2,500.00	2,500.00
		<b>4,500.00</b>	<b>4,500.00</b>
<b>b</b>	<b>ISSUED SUBSCRIBED AND PAID-UP-FULLY CALLED AND PAID UP</b>		
	2,56,93,318 EQUITY SHARE OF ₹5/- EACH	1,284.67	1,283.92
	(Previous Year 2,56,78,318 shares of ₹5 each)		
		<b>1,284.67</b>	<b>1,283.92</b>

The company has only one class of Shares referred to as equity share having a par value of ₹5/- at the beginning of the year. Each holder of equity share is entitled to one vote per share. (The Company has sub-divided the face value of equity shares from ₹10 to ₹5 per share during FY 14-15.)

In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has allotted 2411623 equity shares in FY 10-11 , 10640 equity share in FY 11-12 , 16226 equity share in FY 12-13 and 8372 equity share in FY 13-14 as bonus share.

#### c Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity Share	March 31, 2016		March 31, 2015	
	No. of Share	₹ in Lac	No. of Share	₹ in Lac
Number of shares at the beginning	2,56,78,318	1,283.92	1,28,04,834	1,280.49
Add : Shares issued as Preferential Allotment				
Add : Shares issued as Bonus				
Add : Shares issued on exercise of Employee Stock option	15,000	0.75	34,325	3.43
Add : Bonus Shares issued on Employee Stock option				
Add : Share issued as a part of subdivision of shares	-	-	1,28,39,159	-
	<b>2,56,93,318</b>	<b>1,284.67</b>	<b>2,56,78,318</b>	<b>1,283.92</b>

#### d Shareholder holding more than 5% of the share as on

	March 31, 2016	March 31, 2015
Mr. Rajnit Rai Jain	97,56,648 Shares of ₹5 each	94,58,014 Shares of ₹5 each
	(37.97% of total shareholding)	(36.83% of total shareholding)

#### e Employee Stock option Plan

The Company has granted 75000 options of shares of face value ₹10 each to the directors and employees to be convertible into one equity share each, on 12th July, 2012 at the exercise price of ₹84.75 each. The same could be exercised after one year from the date of allotment of options. The Directors and Employees have exercised their options and the Directors have been allotted 45,000 Shares and Employee have been allotted (1st and 2nd instalment out of four) 15000 shares before Jan, 15. On Jan, 15 with the subdivision of shares, the balance 15000 option of EQ face value of ₹10 each converted to 30000 options EQ for face value ₹5 each. During the period ended Sep, 15 15000 options for EQ face value ₹5 each has been allotted to employees. As on date 15000 Options of ₹5 each are outstanding to be exercised.

## Notes on accounts (contd.) for the year ended March 31, 2016

## 4. RESERVE AND SURPLUS

₹ in Lac

	March 31, 2016	March 31, 2015
<b>SHARE FORFEITURE</b>		
The Company had forfeited 10% Application Money on 500,000 Warrants for Preferential Allotment to be Converted into Equity Shares against each Warrant in the absence of final call money being received within the due date in FY 2006-07 . The Warrant was allotted at ₹87 which included premium amount of ₹77.	43.50	43.50
<b>SECURITIES PREMIUM ACCOUNT</b>		
Balance at the beginning of the year	2,575.17	2,558.95
Add : Receipts on exercise of Preferential Allotment	-	-
Add : Receipts on exercise of employee stock options	5.60	16.22
Closing Balance	<b>2,580.77</b>	<b>2,575.17</b>
<b>PREFERENCE SHARE REDEMPTION RESERVE</b>		
Balance at the beginning of the year	255.31	255.31
Add : Transfer from Profit & Loss A/c	-	-
Less : Distributed as Bonus Share	-	-
Closing Balance	<b>255.31</b>	<b>255.31</b>
<b>CSR FUND</b>		
Balance at the beginning of the year	119.40	85.00
Add : Transfer from /(To) Profit & Loss A/c*1		109.40
Less : Transfer to Donation	(0.75)	(75.00)
Closing Balance	<b>118.65</b>	<b>119.40</b>
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS ACCOUNT</b>		
Balance at the beginning of the year	16,624.71	11,894.23
Less : MAT Credit reversed for earlier years	(385.48)	(445.80)
Less : Fixed Assets Adjustment on account of realignment of useful life of assets	-	(307.90)
Add : Change in Deferred tax on account of realignment of useful life of assets.	-	104.65
Add : Net Profit after tax from Statement of Profit and Loss	<b>795.14</b>	<b>6,493.53</b>
	<b>17,034.38</b>	<b>17,738.72</b>
Less Appropriations :		
Interim Equity Dividend *2 (₹NIL per share, Previous year ₹4 per share)	-	(512.82)
Proposed Final Equity Dividend ( ₹1 per share, Previous year ₹1.25 per share)	(256.93)	(320.98)
Equity Dividend Tax	(51.37)	(170.81)
Trf to/(From) CSR Fund *1	-	(109.40)
Closing Balance	<b>16,726.08</b>	<b>16,624.71</b>
<b>INTER BRANCH FOREIGN FLUCTUATION RESERVE</b>		
Balance at the beginning of the year	417.17	463.91
Add : Fluctuation during the period	97.74	(46.74)
Closing Balance	<b>514.91</b>	<b>417.17</b>
	<b>20,239.22</b>	<b>20,035.26</b>

\*1 In computation of CSR Amount branch profit is not considered. The amount spent during the year FY 15-16 ₹11 Lac has been charged to Profit and Loss Account. Provision include ₹10 lac of FY 14 and ₹109.4 lac of FY 15.

\*2 In FY 16 the Company has Proposed Final Dividend @ ₹1 per share subject to shareholder's approval in AGM. (In FY 15 the Company has declared an interim Dividend @ ₹4 per share(face vale ₹10 per share) and proposed final dividend of ₹1.25 per share which is subject to shareholder's approval in AGM dated 10th July, 2015)

## Notes on accounts (contd.) for the year ended March 31, 2016

### 5. DEFERRED TAX ASSETS / (LIABILITY) - NET

₹ in Lac

	March 31, 2016	March 31, 2015
DTL on Account of Fixed Assets	47.87	86.35
DTA on Account of Accrued Employee benefits and B/f other Losses	165.55	187.87
<b>NET DEFERRED TAX ASSETS / (LIABILITY)</b>	<b>117.68</b>	<b>101.52</b>

### 6. PROVISIONS

₹ in Lac

	Long Term Provision		Short Term Provision	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
PROVISION FOR LEAVE ENCASHMENT *	50.45	64.38	1.73	16.68
PROVISION FOR GRATUITY *	278.62	259.09	10.85	72.95
PROVISION FOR INTERIM DIVIDEND TAX	-	-	-	-
PROVISION FOR INTERIM EQ DIVIDEND	-	-	-	-
PROVISION FOR PROPOSED EQ DIVIDEND	-	-	256.93	320.98
PROVISION FOR PROPOSED DIVIDEND TAX	-	-	51.37	64.18
* (Refer note 32)				
	<b>329.07</b>	<b>323.47</b>	<b>320.88</b>	<b>474.79</b>

### 7. TRADE PAYABLE (SHORT TERM)

₹ in Lac

	March 31, 2016	March 31, 2015
Other Than Acceptances	1,663.50	822.03
(refer note no. 33 for MMSE details )		
	<b>1,663.50</b>	<b>822.03</b>

### 8. OTHER CURRENT LIABILITIES

₹ in Lac

	March 31, 2016	March 31, 2015
SALARY PAYABLE	81.18	70.50
STATUTORY LIABILITY including PF, TDS, ESI etc.	98.52	151.15
OTHER PAYABLES	1.39	1.15
	<b>181.09</b>	<b>222.80</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

## 9. DETAILS OF TANGIBLE ASSETS

₹ in Lac

Particulars	Land	Building	Plant And Machineries	Office Equipment	Air Conditioner	Electrical Installations	Furniture and Fittings	Motor Vehicles	Total 31.3.2016	Total 31.3.2015
<b>Gross Block</b>										
<b>Opening Balance</b>	7.76	154.65	1,885.86	202.28	124.64	208.07	553.94	52.78	3,189.98	8,498.07
Additions during the period	-	-	20.83	29.89	-	-	5.27	-	55.99	112.89
Acquisitions through Business combination	-	-	-	-	-	-	-	-	-	-
Other Adjustments (rectification from OE to EE)	-	-	-	2.43	-	-	-	-	2.45	-
Other Adjustments	-	-	-	-	-	-	-	-	-	5,415.41
<b>Sub-total</b>	<b>7.76</b>	<b>154.65</b>	<b>1,906.69</b>	<b>234.60</b>	<b>124.64</b>	<b>208.07</b>	<b>559.21</b>	<b>52.78</b>	<b>3,248.42</b>	<b>3,195.55</b>
Less: Disposals	-	-	-	2.23	-	4.28	-	-	6.52	5.57
<b>Gross block as on closing</b>	<b>7.76</b>	<b>154.65</b>	<b>1,906.69</b>	<b>232.37</b>	<b>124.64</b>	<b>203.79</b>	<b>559.21</b>	<b>52.78</b>	<b>3,241.90</b>	<b>3,189.98</b>
<b>Less: Depreciation / Amortization</b>										
Opening depreciation / amortization	-	45.17	1,407.59	110.89	56.17	101.65	380.39	30.59	2,132.45	6,866.89
Depreciation/ Amortization of the period	-	1.82	190.10	30.94	5.64	39.42	60.58	6.01	334.52	373.06
Other Adjustments (Assets Physically Present)	-	-	-	-	-	-	-	-	-	307.90
Other Adjustments (Assets not Physically Present)	-	-	-	-	-	-	-	-	-	-
Impairment loss/ Reversal of Impairment Loss	-	-	-	-	-	-	-	-	-	-
Less: Other Adjustments	-	-	-	-	-	-	-	-	-	5,415.41
Less: Accumulated dep on disposed off assets	-	-	-	1.42	-	1.82	-	-	3.24	
<b>Total depreciation as on closing</b>	<b>-</b>	<b>46.99</b>	<b>1,597.69</b>	<b>140.41</b>	<b>61.81</b>	<b>139.25</b>	<b>440.97</b>	<b>36.60</b>	<b>2,463.71</b>	<b>2,132.45</b>
<b>Net Carrying Value (Closing)</b>	<b>7.76</b>	<b>107.66</b>	<b>309.00</b>	<b>91.96</b>	<b>62.83</b>	<b>64.54</b>	<b>118.24</b>	<b>16.19</b>	<b>778.19</b>	<b>1,057.53</b>
<b>Net Carrying Value Previous Year</b>	<b>7.76</b>	<b>109.48</b>	<b>478.27</b>	<b>91.38</b>	<b>68.46</b>	<b>106.42</b>	<b>173.55</b>	<b>22.20</b>	<b>1,057.53</b>	<b>1,631.18</b>

## Note:

- Land includes Leasehold land amounting to Rs. 458,694/-. The lease expires in year 2086.
- Building in Sector V comprising of 59600 sq ft was taken on lease for a period of 6 years which has been extended for further period of 4 years till April 2019.
- Depreciation amounting to ₹1,14,390 has been reduced on account of previous year on reconciliation.

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 10. DETAILS OF INTANGIBLE ASSETS

Particulars	₹ in Lac	
	TOTAL 31.3.2016	TOTAL 31.3.2015
	<b>COMPUTER SOFTWARE &amp; LICENCES</b>	<b>COMPUTER SOFTWARE &amp; LICENCES</b>
<b>Gross Block</b>		
Opening Balance	522.49	1,209.30
Additions during the period	23.16	175.49
Acquisitions through Business combination	-	-
Less: Other Adjustments	-	862.29
<b>Sub-total</b>	<b>545.65</b>	<b>522.50</b>
Less: Disposals	-	-
<b>Gross block as on closing</b>	<b>545.65</b>	<b>522.50</b>
<b>Less: Depreciation / Amortization</b>	<b>-</b>	<b>-</b>
Opening depreciation / amortization	378.65	1,059.17
Depreciation/Amortization of the period	82.50	181.77
Less: Impairment loss/Reversal of Impairment Loss	-	862.29
<b>Total depreciation as on closing</b>	<b>461.15</b>	<b>378.65</b>
<b>Net Carrying Value (Closing)</b>	<b>84.50</b>	<b>143.85</b>
<b>Net Carrying Value Previous Year</b>	<b>143.85</b>	<b>150.13</b>

### 11. INTANGIBLE ASSETS UNDER DEVELOPMENT

	₹ in Lac	
	March 31, 2016	March 31, 2015
ERP IMPLEMENTATION	73.81	73.81
Others	4.92	-
	<b>78.73</b>	<b>73.81</b>

### 12. NON-CURRENT INVESTMENTS (AT COST)

	₹ in Lac	
	March 31, 2016	March 31, 2015
(Others - unquoted)		
In Wholly Owned Subsidiary		
RS SOFTWARE (ASIA) PTE LTD.	8.02	8.02
(25000 no. (previous year 25000 no.) Equity share of SGD 1 each fully paid up)		
RESPONSIVE SOLUTIONS, INC.	163.30	163.30
(500 no.(Previous year 500 no.) Equity Share of USD 0.01 each fully paid up)		
	<b>171.32</b>	<b>171.32</b>
(Aggregate amount of investment as on MARCH 31, 2016 ₹171.32 Lac) (As on March 31, 2015 ₹171.32 Lac)	<b>171.32</b>	<b>171.32</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

## 12. NON-CURRENT INVESTMENTS (AT COST) (contd.)

₹ in Lac

	No. of unit	March 31, 2016	No. of unit	March 31, 2015
<b>In Mutual Fund -</b>				
Reliance Fixed Horizon Fund - XXV- series 14- Growth plan	3000000	300.00	3000000	300.00
HDFC FMP 554D NOV 2013-1-DIRECT-GR	NIL	-	3000000	300.00
ICICI PRUDENTIAL FMP SERIES 71- 480 DAYS	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 11- Growth plan	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 12- Growth plan	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 13- Growth plan	NIL	-	2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 15- Growth plan	2000000	200.00	2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 16- Growth plan	2000000	200.00	2000000	200.00
DSP FMP S154-12-5M	NIL	-	4001173	400.13
( Aggregate NAV of Mutual Fund as on MARCH 31, 2016 ₹820.75 Lac ) (as on MARCH 31, 2015 ₹2761.9 lac)				
		<b>871.32</b>		<b>2,671.45</b>

## 13. LOANS AND ADVANCES

₹ in Lac

	Long Term Loans & Advances		Short Term Loans & Advances	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Unsecured and Considered good)				
<b>LOAN</b>				
(Recoverable in cash or in kind or for value to be received)				
ADVANCE TO R S EMPLOYEE WELFARE TRUST	1,300.00	1,300.00	-	-
<b>ADVANCES</b>				
(Recoverable in cash or in kind or for value to be received)				
ADVANCES	-	-	285.33	2.55
PREPAID EXPENSES	26.56	26.55	141.21	379.34
DEPOSITS	69.39	71.15	57.42	69.39
ADVANCE TO STAFF	-	-	8.18	16.01
ADVANCE TAXES (Net of Provisions)	332.86	478.65	449.14	479.73
BALANCES WITH GOVT. AUTHORITIES	388.01	294.40	132.25	153.35
	<b>2,116.82</b>	<b>2,170.75</b>	<b>1,073.53</b>	<b>1,100.37</b>

Notes on accounts (contd.) for the year ended March 31, 2016

14. CURRENT INVESTMENT

₹ in Lac

	No. of unit	March 31, 2016	No. of unit	March 31, 2015
(At Cost or Fair value whichever is less)				
<b>Investment in Mutual Fund (Others - unquoted)</b>				
Franklin India Low duration Fund - Direct	NIL	-	2351439	350.00
Franklin India Treasury Management - Super Institution Plan	NIL	-	11990	250.00
IDFC - SSIF - Inv Plan- Plan A - Growth Option	NIL	-	742539	200.00
Reliance Dynamic Bond Fund - Growth Plan (NI-GP)	NIL	-	2663581	400.10
SBI Magnum Gilt Fund - LT - Direct - Growth	NIL	-	1421388	400.00
SBI Magnum Income Fund - Direct - Growth	NIL	-	880837	300.00
Birla Sun Life cash plus -D DIP	89216	200.00	89216	200.00
DHFL Pramerica Ultra Short Term Bond Fund- Direct Plan- Growth	1248156	257.03	NIL	-
DSB BlackRock Strategic Bond Fund -	17595	250.00	17595	250.00
HDFC Floating Rate Income fund ST plan	1536310	400.00	3211115	750.00
HDFC FMC 92D MARCH 2016 - DIRECT GR	4292858	429.28	NIL	-
ICICI Prudential Flexible Income Plan - Direct Plan- Growth	143725	400.00	NIL	-
ICICI Prudential Liquid - Direct Plan- Growth	232206	500.00	NIL	-
IDFC Dynamic Bond fund growth - Direct Plan	1672231	300.00	NIL	-
IDFC Liquid fund	17144	300.00	NIL	-
JM High Liquidity Fund (Direct) - DDO	625846	250.00	719197	275.13
Kotak Bond (Short Term) - Direct Plan - Growth	1157198	300.00	1157198	300.00
Kotak Bond scheme plan A - Direct Plan - Growth	493910	200.00	NIL	-
L and T liquid fund - Collection Account	15199	300.00	NIL	-
Reliance Banking & PSU Debt Fund- DGP	3000000	300.00	NIL	-
Reliance Floating rate Fund -ST Plan- Direct Growth	1892568	400.00	1892568	400.00
Reliance Liquidity Fund DDD,	102	2.12	102	2.12
Reliance Short Term Fund	1429194	400.00	NIL	-
Religare Invesco Medium Term Bond fund	32267	500.00	NIL	-
Reliance Quarterly Interval Fund - Series II- Direct Growth Plan	1463636	300.00	NIL	-
Reliance Quarterly Interval Fund - Series III- Direct Growth Plan	2820579	350.00	NIL	-
( Aggregate NAV of Mutual Fund as on MARCH 31, 2016 ₹6655.74 Lac) (as on MARCH 31, 2015 ₹4379.49 Lac)				
		<b>6,338.43</b>		<b>4,077.35</b>

15 a. TRADE RECEIVABLES

₹ in Lac

	March 31, 2016	March 31, 2015
(Unsecured and Considered good)		
Trade Receivable for a period exceeding Six Months	-	-
Others	1,746.89	4,619.30
	<b>1,746.89</b>	<b>4,619.30</b>

b. UNBILLED REVENUE:

Unbilled but accrued revenue included in Trade receivable valued as on MARCH 31, 2016 amounts to ₹559.98 lac (MARCH 31, 2015 ₹3691.9 Lac) primarily comprises of revenue recognised in relation to a percentage of work completed during the period which would be invoiced on achieving the particular milestone i.e based on the work order or contractual terms and also include the Invoices which due to be sent to customer as on MARCH 31, 2016 ₹ NIL Lac (MARCH 31, 2015 ₹10.7 Lac)

## Notes on accounts (contd.) for the year ended March 31, 2016

## 16. CASH AND BANK BALANCE

₹ in Lac

	March 31, 2016	March 31, 2015
<b>CASH &amp; CASH EQUIVALENTS</b>		
CASH IN HAND	12.73	0.38
Fixed Deposits with Yes Bank- with original maturity less than 3 Months	-	-
<b>BALANCE WITH BANK :</b>		
<b>SCHEDULED BANKS</b>		
- in Current Account (Axis bank & Allahabad Bank)	13.57	15.81
- in Current Account (HDFC Bank)	3.84	2.24
- in Current Account (ICICI Bank)	138.95	45.04
- in Current Account (YES Bank)	42.28	54.14
- in Current Account (SBI Bank)	2.11	-
<b>FOREIGN BANK</b>		
- in Current Account (Bk of America, Silicon Valley Bk, ICICI Bk UK Ltd. )	1,132.06	317.64
<b>OTHER BANK BALANCES</b>		
<b>FIXED DEPOSITS - with original maturity less than 12 Months</b>		
Fixed Deposits with Yes Bank	7,147.84	6,190.80
Fixed Deposits with ICICI Bank	-	201.09
<b>In margin Money deposits against guarantees (in lien)</b>		
Axis Bank		5.67
ICICI Bank	152.57	0.10
Allahabad Bank	8.63	7.73
Yes Bank	316.35	-
	<b>8,970.93</b>	<b>6,840.63</b>

The Company has twelve Dividend Accounts being balances comprising of amount of ₹55.61 Lac which are still unpaid since FY 10-11. The same is not included in current assets and current liabilities of the company.

## 17. OTHER ASSETS

₹ in Lac

	Other Non Current Assets		Other Current Assets	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Bank Deposits (with original Maturity more than 12 Months)	1,436.02	-	-	-
Interest Accrued on R S EMPLOYEE WELFARE TRUST	-	-	336.42	234.05
Interest Accrued on Fixed Deposits	24.13	-	44.84	71.66
	<b>1,460.15</b>	<b>-</b>	<b>381.26</b>	<b>305.71</b>

## 18. CONTINGENT LIABILITIES

₹ in Lac

	March 31, 2016	March 31, 2015
(To the extent not provided for in the books)		
Guarantee Outstanding	458.80	5.20
Invoice Funding with Silicon Valley Bank	(0.00)	1,122.45



## Notes on accounts (contd.) for the year ended March 31, 2016

### 19. COMMITMENTS

#### a Other Commitment

Company has a lease agreement for the premises of Saltlake City, Sector V, Kolkata, The Lease has been renewed till 2019.

Company has spent ₹73.81 lac (March 15, ₹73.81 Lac) towards ERP implementation as on MARCH 31, 2016 which is still under development stage by in house team.

### 20. REVENUE FROM OPERATION

₹ in Lac

	March 31, 2016	March 31, 2015
Export of Software Services Income	16,143.08	34,504.40
Domestic Income from Software Services	507.53	46.23
Domestic Sales of stock in trade	491.14	-
	<b>17,141.75</b>	<b>34,550.63</b>

### 21. DETAILS OF OTHER INCOME

₹ in Lac

	March 31, 2016	March 31, 2015
Interest Received from Bank & Other Investment (including TDS ₹66.57 Lac (previous year ₹54.74 lac))	665.75	547.54
Net gain on Investments in Mutual Funds	734.63	213.09
Dividend Income	0.37	29.28
Interest from Employee Welfare Trust (including TDS ₹11.37 Lac (previous year ₹12.31 lac))	113.75	123.12
Interest from Income Tax Refund	-	20.13
Other Non-operating Income From Subsidiary	18.14	19.23
Other Income	15.73	4.38
Provision on subsidiary written back	-	163.29
Liability no longer required written back	0.74	40.55
	<b>1,549.11</b>	<b>1,160.61</b>

### 22. PURCHASE OF STOCK IN TRADE

₹ in Lac

	March 31, 2016	March 31, 2015
Purchase of stock in trade	446.63	-
	<b>446.63</b>	<b>-</b>

### 23. EMPLOYEE BENEFIT EXPENSES

₹ in Lac

	March 31, 2016	March 31, 2015
Salary Wages And Bonus	10,345.69	15,475.73
Contribution to PF And Other Funds	309.07	394.16
Staff Welfare Expenses	886.70	965.74
	<b>11,541.46</b>	<b>16,835.63</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

## 24. FINANCE COST

₹ in Lac

	March 31, 2016	March 31, 2015
Interest Expenses	13.76	15.55
Other Borrowing Cost	6.58	
Interest Paid on dividend tax	-	0.41
Interest paid on TDS contractor	1.16	-
	<b>21.50</b>	<b>15.96</b>

## 25. OPERATION AND OTHER EXPENSES

₹ in Lac

	March 31, 2016	March 31, 2015
Travelling	1,031.37	1,344.67
Conveyance	98.23	97.34
Staff Welfare	44.65	139.09
Communication	302.24	389.90
Printing and Stationery	17.04	22.55
Electricity and Power	129.29	171.26
Rent - Apartment & Ground	390.68	444.60
Repairs - Machinery	201.47	182.29
Repairs - Building	89.91	86.34
Repairs - Others	7.91	3.52
Education and Training Expenses	18.41	17.76
insurance	132.25	132.27
Auditors' Remuneration - Refer Note no.27	4.78	3.70
Books and Periodicals	0.79	6.87
Directors' Fees *	23.43	18.88
Rates & Taxes	142.21	223.42
Legal / Professional Fee	205.35	116.12
Consultancy Charges	221.37	227.33
Recruitment & Relocation Expenses	49.09	49.85
General and Board Meeting expenses	10.52	21.85
Membership and Subscription	29.49	23.87
Business Promotion	83.56	80.08
Advertisement	16.78	29.39
Net loss on Foreign currency Transaction	4.61	17.48
Bank Charges	23.97	21.07
Donation against CSR	11.00	-
Loss on Discard of Assets	0.47	3.12
	<b>3,290.87</b>	<b>3,874.62</b>

\* Its inclusive of service tax for current year

## 26.

₹ in Lac

	March 31, 2016	March 31, 2015
Income Tax deducted on domestic income	NIL	4.62

## Notes on accounts (contd.) for the year ended March 31, 2016

### 27. AUDITOR'S REMUNERATION

₹ in Lac

	March 31, 2016	March 31, 2015
As Statutory Auditors	2.50	2.50
Tax Audit	0.50	0.50
Other certification	1.78	1.13
The above remunerations are not inclusive of service tax as applicable		
	<b>4.78</b>	<b>4.13</b>

### 28. PRIOR PERIOD EXPENSES INCURRED

₹ in Lac

	March 31, 2016	March 31, 2015
	NIL	NIL

29. There is no Impairment of assets during the quarter ended as on MARCH 31, 2016.

30. In respect of service tax which are non cenvatable or non refundable the same amount is being charged to respective expense account.

31. The Company has renewed lease for Building with Saltee Infotex (India) Pvt. Ltd. for the period of 4 years expiring on 30th April, 19. The amount of ₹217.15 Lac (Previous Year 31.03.2014 ₹217.55 Lac) has been charged under Rent-Apartment & Ground in the profit & Loss Account during the period ended MARCH 31, 2016.

₹ in Lac

Total Minimum Lease Payment outstanding as at	March 31, 2016
Within One Year	110.59
More than One Year	556.12

### 32. EMPLOYEE BENEFIT PROVISIONS

The company has got the actuarial valuation of employee benefit done at the year end. The provision made during the year by the company based on Actcurial valuation is reflected hereunder :-

₹ in Lac

	March 31, 2016	March 31, 2015
Provision for Leave Encashment in Profit and Loss statement	37.01	23.80
Provision for Gratuity in Profit and Loss statement	185.92	53.31
	<b>222.93</b>	<b>77.11</b>

TABLE 1

Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Net Asset / Liability, Recognised in the Balance Sheet.

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Present Value of Defined Benefit Obligation	-289.47	-332.04	-52.17	-81.07
ii)	Fair Value of Plan Assets	-	-	-	-
iii)	Funded Status [ Surplus / (Deficit)]	-289.47	-332.04	-52.17	-81.07
iv)	Unrecognised Past Service Cost	-	-	-	-
v)	Effect of balance sheet asset limit	-	-	-	-
vi)	Net Asset / (Liability) recognized in the Balance Sheet	-289.47	-332.04	-52.17	-81.07

## Notes on accounts (contd.) for the year ended March 31, 2016

## 32. EMPLOYEE BENEFIT PROVISIONS (contd.)

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
a)	Current Liability	10.85	72.95	1.73	16.68
b)	Non Current Liability	278.62	259.09	50.45	64.39

TABLE 2

Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Disclosure of employer expense for the year ending 31st MARCH, 2016.

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Current Service cost (including risk premium for fully insured benefits)	44.53	93.82	12.19	14.29
ii)	Interest Cost	26.56	27.88	6.49	68.49
iii)	Expected Return of Asset (-)	-	-	-	-
iv)	Curtaiment Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Past Service Cost	-	-	-	-
vii)	Actuarial Gains (-) / Loss (+)	114.82	-63.13	18.34	-57.27
viii)	Appreciation/Depreciation of Plan Assets	-	-	-	-
	<b>Total employer expenses recognized in P &amp; L</b>	<b>185.92</b>	<b>58.57</b>	<b>37.01</b>	<b>25.50</b>

TABLE 3

Actuarial calculations for AS 15 (Rev. 2005) purpose change in obligations / assets in the year ending 31st March 2016.

## A. Change in Obligation in the year ended 31.03.2014

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Present Value of Defined Benefit Obligation at the beginning of the year.	332.04	364.98	81.07	90.15
ii)	Employer Service Cost (+)	44.53	93.82	12.19	14.29
iii)	Interest Cost (+)	26.56	27.88	6.49	68.49
iv)	Curtaiment Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Employee contribution	-	-	-	-
vii)	Plan Amendments	-	-	-	-
viii)	Acquisitions	-	-	-	-
ix)	Actuarial Gains (-) / Loss (+)	114.82	-63.13	18.34	-57.27
x)	Benefit Payments (-)	-228.48	-91.51	-65.91	-34.58
xi)	Present Value of DB obligations at the end of the year	289.47	332.04	52.17	81.07

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 32. EMPLOYEE BENEFIT PROVISIONS *(contd.)*

TABLE 4

Reconciliation of Net Assets / (Liability) recognized in the Balance Sheet as at 31st March, 2016.

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the year.	332.04	364.98	81.07	90.15
ii)	Employer Expenses	185.92	58.57	37.01	25.50
iii)	Employer Contributions.	(228.48)	(91.51)	(65.91)	(34.58)
iv)	Acquisitions.	-	-	-	-
v)	Net Asset / (Liability) recognized in balance sheet at the ending of the year	289.47	332.04	52.17	81.07

### B. Summary of Membership Date

₹ in Lac

Active Members	March 31, 2016	March 31, 2015
Number of Employees	422.00	660.00
Total Monthly Salaries (₹ in Lac)	141.55	214.12
Avg. Monthly Salary per employees (₹ in Lac)	0.34	0.32
Average past services (yrs)	5.34	4.99
Average future services (yrs)	24.49	24.17

### 33.

#### a) Enterprises where control exists:

Wholly Owned Subsidiaries:	% of holding	Country of Incorporation
Responsive Solutions, Inc.	100%	USA
RS Software (Asia) Pte. Ltd.	100%	Singapore

#### b) Key Management Personnel:

Mr. Rajnit Rai Jain	-	Chairman and Managing Director
Mr. Richard Launder	-	Director
Mr. Shital Kr. Jain	-	Director
Mr. R Ramaraj	-	Director
Mrs. Sarita Jain	-	Director
Mr. Raghav Raj Jain	-	Executive - Sales
Ms. Shrishti Jain	-	Executive - BSG
Mr. Vijendra Surana	-	CFO & Company Secretary

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 33. *(contd.)*

#### c) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances

##### i. With Wholly Owned Subsidiary (WOS)

₹ in Lac

Particulars	March 31, 2016 Amount	March 31, 2015 Amount
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solutions, Inc.	170.58	174.14
Reimbursing the subsidiary towards service rendered by them at a agreed margin.		
RS Software (Asia) Pte. Ltd.	1,421.69	3,056.22
Reimbursing the Other Cost from subsidiary on actual.		
RS Software (Asia) Pte. Ltd.	1,187.89	373.18
Balance as on MARCH 31, 2016 :		
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solutions, Inc.	NIL	NIL
Reimbursing the Other Cost from subsidiary on actual.		
RS Software (Asia) Pte. Ltd.	NIL	NIL
Maximum balance outstanding during the year		
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solutions, Inc.	36.12	34.98
Reimbursing the Other Cost from subsidiary on actual.		
RS Software (Asia) Pte. Ltd.	35.58	618.28

##### ii. With Related parties

₹ in Lac

Particulars	March 31, 2016 Amount	March 31, 2015 Amount
Remuneration to Key Personnel:		
- Directors (Sitting Fees)	20.80	16.80
- Managing Director	82.55	72.53
- Relative of Managing Director	120.40	53.42

#### 34. EPS has been calculated as per the provisions of AS-20, issued by the Institute of Chartered Accountants of India. The details of calculation are as follows:

₹ in Lac

Particulars	March 31, 2016	March 31, 2015
Numerator for Basic and Diluted EPS:		
Profit for the Year ended	795.14	6,493.53
Denominator for Basic EPS:		
Equity Shares	2,56,57,577	1,28,04,834
Add: ESOP Conversion		13,583.90
Add: Preferential Issue		
Add : Bonus Issue		
Add : Share issued for subdivision of shares		1,28,39,159

## Notes on accounts (contd.) for the year ended March 31, 2016

### 34. (contd.)

₹ in Lac

Particulars	March 31, 2016	March 31, 2015
Weighted no. of Equity Shares	2,56,57,577	2,56,57,577
Denominator for Diluted Shares		
Weighted No. of Basic Equity Shares	2,56,57,577	2,56,57,577
Add: ESOP Conversion		
ESOP Dilutive	9,197	20,479
Pref Share allotment		
Weighted no. of Equity Shares	2,56,66,774	2,56,78,056
Nominal Value of share	5.00	5.00
Basic Earning per Share	3.10	25.31
Diluted Earning per Share	3.10	25.29

35. There is no declaration received from vendor for small, medium & micro registration.

### 36. Additional Information pursuant to provisions of the Para 5 (vii) (b) of Part II Schedule III for the Companies Act, 2013:-

a. The Company is engaged in the business of development & maintenance of computer software and other related services. The production and sale of such software services are not capable of being expressed in generic terms.

₹ in Lac

Particulars	March 31, 2016	March 31, 2015
<b>Expenditure in Foreign Currency:</b>		
Foreign branch expenditure	10,049.39	17,913.29
<b>Earning in Foreign Currency</b>		
Export of services	16,143.08	34,504.40

### b. Remittance in Foreign Currency

The Company has remitted ₹ Nil (Mar. 31, 2015 : ₹ Nil) in foreign currencies on accounts of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The Particulars of dividends declared and paid on account of non-resident shareholders for the years 2010-11 to 2014-15 are as under :-

Particulars	No. of Non-resident Shareholders	No. of Equity Shares held	Year end of Dividend	Gross Amount of dividend
Final dividend for 2010-11 declared in July, 11	134	205495	March, 2011	4,10,990.00
Interim Dividend for 2011-12 declared in January, 12	130	126018	March, 2012	1,26,018.00
Final dividend for 2011-12 declared in July, 12	134	468631	March, 2012	9,37,262.00
Interim Dividend for 2012-13 declared in January, 13	202	511382	March, 2013	7,67,073.00
Final dividend for 2012-13 declared in July, 13	201	533149	March, 2013	10,66,298.00
Interim Dividend for 2013-14 declared in October, 13	207	588430	March, 2014	14,71,075.00
Interim Q3 Dividend for 2013-14 declared in January, 14	197	506065	March, 2014	5,06,065.00
Final dividend for 2013-14 declared in July, 14	290	434205	March, 2014	10,85,512.50
Interim dividend for 2014-15 declared in July, 14	344	463450	March, 2015	4,63,450.00
2nd Interim dividend for 2014-15 declared in October, 14	382	545321	March, 2015	8,17,981.50
3rd Interim dividend for 2014-15 declared in January, 15	442	2120830	March, 2015	15,90,622.50
Final dividend for 2014-15 declared in July, 15	588	2229422	March, 2015	27,86,777.50

## Notes on accounts (contd.) for the year ended March 31, 2016

## 37. Reporting of Segment Wise Revenue, Results and Capital Employed:

₹ in Lac

	Year ended March 31, 2016	Year ended March 31, 2015
<b>1. Segment Revenue ( net sale / income from each segment should be disclosed</b>		
a. Segment - A (USA)	15,409.92	33,065.22
b. Segment - B (ROW)	1,731.83	1,485.41
<b>Total</b>	<b>17,141.75</b>	<b>34,550.63</b>
<b>Other Income</b>		
Segment - B (ROW)	1,549.11	1,160.61
<b>Total</b>	<b>18,690.86</b>	<b>35,711.24</b>
<b>Less : Inter - segment revenue</b>	-	-
<b>Net Revenue from Operations</b>	<b>18,690.86</b>	<b>35,711.24</b>
<b>2. Segment Results Profit/(Loss) before Tax &amp; Interest from each segment</b>		
a. Segment - A (USA)	922.00	10,067.53
b. Segment - B (ROW)	2,406.06	1,471.06
<b>Total</b>	<b>3,328.06</b>	<b>11,538.59</b>
Less : Interest	21.50	37.03
Less : Depreciation	417.02	554.83
Less : Unallocable Selling , General & Administrative Expenses	1,739.87	1,322.16
<b>Profit before tax</b>	<b>1,149.67</b>	<b>9,624.57</b>
<b>3. Capital Employed</b>		
Total Assets	<b>24,018.43</b>	<b>23,162.27</b>
Total Liability	<b>24,018.43</b>	<b>23,162.27</b>

**Note :** \*Assets used in the Company's business are not capable of being specifically identified with any of the segments, and it is not practicable to provide segmented disclosures in relation to total assets and liabilities with any reasonable degree of accuracy. Unallocated expenses have not been disclosed in any segment.

## 38. Disclosure under clause 32 of the listing agreement amount of loans and advances outstanding from subsidiary

₹ in Lac

	March 31, 2016	March 31, 2015
<b>Outstanding as on</b>		
Responsive Solutions, Inc.	NIL	NIL
RS Software (Asia) Pte. Ltd.	NIL	NIL
<b>Maximum balance outstanding during the period</b>		
Responsive Solutions, Inc.	36.12	34.98
RS Software (Asia) Pte. Ltd.	35.58	618.28



## Notes on accounts *(contd.)* for the year ended March 31, 2016

39. The Company is primarily engaged in the rendering services relating to maintenance and testing of Computer Software . These cannot be expressed in any generic units. Hence it is not possible to give the quantities details of sales and certain information as required under paragraph 5 (viii) (c) of general instructions for preparation of statement of profits and loss as per revised schedule VI of the Companies Act 2013.
40. The previous year figures have been regrouped, reclassified and restated, wherever necessary, to correspond with the current year's classification.
41. Financial figures have been rounded off to nearest ₹ Lac.

For **Chaturvedi & Company**  
*Chartered Accountants*  
(Reg. no : 302137E)

On behalf of the Board

**Nilima Joshi**  
*Partner*  
M. No. 52122

**V. Surana**  
*CFO & Company Secretary*

**S. K. Jain**  
*Director*  
DIN : 00047474

**R. R. Jain**  
*Chairman & Managing Director*  
DIN : 00122942

Dated: April 23rd , 2016.  
Place : Kolkata

# RESPONSIVE SOLUTIONS, INC.

## Independent Auditor's Report

To  
The Board of Directors  
**Responsive Solutions, Inc.**  
1900 McCarthy Blvd, Suite 103  
Milpitas, California 95035

### Report on the Financial Statements

We have audited the accompanying financial statements of Responsive Solutions, Inc. (a California Corporation), which comprise the balance sheet as of March 31, 2016, and the related statement of operations, stockholders' equity and cash flows for the three and twelve month ended March 31, 2016, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Responsive Solutions, Inc. as of March 31, 2016, and the results of its operations and its cash flows for the three and twelve month ended March 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

San Francisco, California  
April 13, 2016

# RESPONSIVE SOLUTIONS, INC.

## Director's Report

The Directors present their report together with the audited accounts for the period ended 31st March, 2016.

### Review of Financial Performance & Dividend

The company during the year under review reported a profit of US\$ 0.06 million (Previous year Profit US\$ 0.05 million). The company is exploring different avenues of revenues, particularly in areas where the Parent Company R. S. Software (India) Ltd. is not focusing, and the plan to achieve more profits during the fiscal year 2016-17.

In view of the slowdown in the global economies and that of US in particular, the opportunity for offshore outsourcing only increases and your management team is confident of improved financial performance in years to come.

### Directors' Responsibilities

- (i) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (ii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the Company.
- (iii) That the Directors have prepared the accounts for the financial year ended 31st March, 2016 on a "going concern" basis.

### Acknowledgements

Your Directors' place on record their deep appreciation of the continued assistance and co-operation extend to the Company by its customers, investors, bankers, Government agencies and its dedicated employees. We are particularly grateful to all the shareholders for keeping faith and commitment in the management team to achieve significantly better financial results.

On behalf of the Board of Directors

Milpitas  
April 13, 2016

R. R. Jain  
Chairman

# RESPONSIVE SOLUTIONS, INC.

## Balance Sheet as at March 31, 2016

	As at March 31, 2016	As at March 31, 2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 805,930	\$ 761,320
Accounts receivable	\$ 54,375	\$ 33,111
<b>Total assets</b>	<b>\$ 860,305</b>	<b>\$ 794,431</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Income taxes payable	\$ 15,490	\$ 9,463
<b>Total current liabilities</b>	<b>\$ 15,490</b>	<b>\$ 9,463</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$.01 par value, Authorized 1,000 shares; Issued and outstanding 500 shares as of March 31, 2016	\$ 5	\$ 5
Additional paid-in capital	\$ 499,995	\$ 499,995
Retained earnings	\$ 344,815	\$ 284,968
<b>Stockholders' equity</b>	<b>\$ 844,815</b>	<b>\$ 784,968</b>
<b>Liabilities and Stockholders' equity</b>	<b>\$ 860,305</b>	<b>\$ 794,431</b>

## Statement of Operations for the three and twelve month ended March 31, 2016

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>REVENUES</b>		
Consulting revenue	\$ 457,682	\$ 449,208
<b>Total Revenues</b>	<b>\$ 457,682</b>	<b>\$ 449,208</b>
<b>COST AND EXPENSES</b>		
Consulting fees	\$ 257,169	\$ 278,221
Salary, wages and payroll taxes	\$ 90,372	\$ 90,372
Professional fees	\$ 14,500	\$ 7,100
Mileage and reimbursements	\$ 14,300	\$ 13,200
Payroll processing fees	\$ 3,998	\$ 4,018
Miscellaneous expense	\$ 2,006	\$ 844
<b>Total Expenses</b>	<b>\$ 382,345</b>	<b>\$ 393,755</b>
Net Income Before Income Taxes	\$ 75,337	\$ 55,453
Provision for income taxes	\$ 15,490	\$ 7,514
<b>Net Income</b>	<b>\$ 59,847</b>	<b>\$ 47,939</b>

## RESPONSIVE SOLUTIONS, INC.

### Statement of Cash Flows for the three and twelve month ended March 31, 2016

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 59,847	\$ 47,939
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	\$ (21,264)	\$ 5,764
Account Payable	\$-	\$ (2,100)
Federal and state taxes payable/provided	\$ 6,027	\$ (37,486)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 44,610</b>	<b>\$ 14,117</b>
Net Change in Cash and Cash Equivalents	\$ 44,610	\$ 14,117
Cash and cash equivalents, beginning balance	\$ 761,320	\$ 747,203
<b>CASH AND CASH EQUIVALENTS, ending balance</b>	<b>\$ 805,930</b>	<b>\$ 761,320</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$-	\$-
Income taxes paid	\$-	\$ 45,000

# R S SOFTWARE (ASIA) PTE. LIMITED

## Independent Auditor's Report

To  
The Members of  
R S Software (Asia) Pte. Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of R S Software (Asia) Pte. Limited (the "Company"), which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### ENTRUST PUBLIC ACCOUNTING CORPORATION

Public Accountants and  
Chartered Accountants  
Singapore

22 April, 2016

# RS SOFTWARE (ASIA) PTE. LIMITED

## Directors' Statement For the financial year ended 31 March, 2016

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2016.

In the opinion of the directors,

- the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### Directors

The directors of the Company in office at the date of this statement are as follows:

Rajnit Rai Jain

Vijendra Kumar Surana

Steven Luk Chiew Peng

### Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 01.04.2015	At 31.03.2016	At 01.04.2015	At 31.03.2016
The Company (Ordinary shares) Rajnit Rai Jain			25,000	25,000
R. S. Software (India) Limited - holding company (Ordinary shares) Rajnit Rai Jain	9,458,014	9,756,648		

### Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year

### Independent auditor

The independent auditor, Entrust Public Accounting Corporation, has expressed its willingness to accept re-appointment.

### On behalf of the directors:

Rajnit Rai Jain  
Director

Vijendra Kumar Surana  
Director

## R S SOFTWARE (ASIA) PTE. LIMITED

### Statement of Comprehensive Income for the financial year ended 31 March 2016

Particulars	Notes	2016 SGD	2015 SGD
Revenue	4	3,164,099	6,169,127
Expenses:			
Employee compensation	5	(2,405,351)	(5,118,915)
Other expenses	6	(272,409)	(507,665)
<b>Profit before income tax</b>		<b>486,339</b>	<b>542,547</b>
Income tax expense	7	(25,587)	(70,356)
<b>Profit for the financial year</b>		<b>460,752</b>	<b>472,191</b>
<b>Total comprehensive income</b>		<b>460,752</b>	<b>472,191</b>

### Statement of Financial Position as at 31 March 2016

Particulars	Notes	2016 SGD	2015 SGD
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	8	38,138	230,327
Cash and cash equivalents	9	2,153,119	1,767,952
<b>Total assets</b>		<b>2,191,257</b>	<b>1998,279</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	10	37,253	262,077
Current income tax liabilities	7	31,764	74,714
<b>Total liabilities</b>		<b>69,017</b>	<b>336,791</b>
<b>Net assets</b>		<b>2,122,240</b>	<b>1,661,488</b>
<b>EQUITY</b>			
Share capital	11	25,000	25,000
Retained earnings		2,097,240	1,636,488
<b>Total equity</b>		<b>2,122,240</b>	<b>1,661,488</b>



## R S SOFTWARE (ASIA) PTE. LIMITED

### Statement of Cash Flows for the financial year ended 31 March 2016

Particulars	Notes	2016 SGD	2015 SGD
<b>Cash flows from operating activities</b>			
Profit before income tax		486,339	542,547
Adjustment for:			
Provision for unutilised leave		(135,005)	68,073
Operating cash flow before working capital changes		351,334	610,620
Changes in working capital:			
Trade and other receivables		192,189	(100,695)
Other payables		(89,819)	(38,993)
<b>Cash generated from operations</b>		<b>453,704</b>	<b>470,932</b>
Income tax paid		(68,537)	(44,566)
<b>Net cash inflow from operating activities and net increase in cash and cash equivalents held</b>		<b>385,167</b>	<b>426,366</b>
Cash and cash equivalents at the beginning of financial year		1,767,952	1,341,586
<b>Cash and cash equivalents at the end of financial year</b>		<b>2,153,119</b>	<b>1,767,952</b>

# Consolidated Financial Statements

## Independent Auditor's Report

To  
The Members of  
M/s. R. S. Software (India) Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. R. S. Software (India) Limited ("the Company") and its subsidiaries M/s. Responsive Solutions, Inc. and R. S. Software (Asia) Pte. Ltd., (the Company and its subsidiaries together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at 31st March, 2016 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 2013 (hereinafter referred to as 'the Act') with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit while conducting the audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from materials misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016 and their consolidated profit and their consolidated cash flow for the year ended on that date.

### Other matters

We did not audit the financial statement of M/s. Responsive Solutions, Inc. & M/s. R S Software (Asia) Pte. Ltd. (the subsidiaries) whose financial statements reflect total assets (net) of Rs. 1,575.37 Lac as at 31st March, 2016, total revenue of Rs. 267.96 Lac and net cash flows amounting to Rs. 1,858.73Lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management. The audit

reports of the subsidiaries have been prepared under generally accepted auditing standards of their respective countries and has been provided to us by the company and the audited Financial Statements has been converted by the management of the holding Company to accounting principles generally accepted in India for the purpose of preparation of the Companies Consolidated financials statements under accounting principles generally accepted in India. Our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our report is not qualified in respect of the above matters.

#### Report on Other Legal and Regulatory Requirements

1. All companies of the group except "the Company" are incorporated outside India, hence reporting requirement as required by the Companies (Auditor's Report) Order, 2015 ("The Order"), Issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act. on the consolidated financial statement are similar to the comments in the auditors report on financial statement of "the company". We give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Consolidated Financial Statement.
  - b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company none of the directors of the Company which is incorporated in India are disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act. Subsidiary Companies of "the Company" are not incorporated in India.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure – A.
- g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The group does not have any pending litigations which would impact its financial position in its financial statements.
  - ii. The Group does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by "the company" during the year. Subsidiary Companies of "the company" are not incorporated in India.

For **Chaturvedi & Company**  
Chartered Accountants  
(Firm Reg. No. 302137E)

**Nilima Joshi**  
Partner  
Mem. No. 52122

Place : Kolkata  
Date : 23.04.2016

## Annexure A to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of R. S. SOFTWARE (INDIA) LIMITED ('the Company') as on 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. (All Companies of the group except "the Company" are incorporated outside India, hence reporting requirement under section 143(3)(i) are similar to the comments in the auditors report in Annexure-B of the auditors report on financial statement of the company).

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operative effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion of the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in responsible detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are records as necessary to permit preparation of financial statements in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and nor be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Company**  
Chartered Accountants  
(Firm Reg. No. 302137E)

**Nilima Joshi**  
Partner

Place : Kolkata  
Date : 23.04.2016

Mem. No. 52122

**Balance Sheet** as at March 31, 2016

After consolidating the results of the Company with those of its wholly owned subsidiary Responsive Solutions, Inc. and RS Software (Asia) Pte. Ltd.

₹ in Lac

Particular	Notes	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) SHARE CAPITAL	3	1,284.67	1,283.92
(b) RESERVE & SURPLUS	4	21,643.27	21,112.25
<b>2 NON-CURRENT LIABILITIES</b>			
(a) LONG TERM PROVISIONS	6	329.07	390.20
<b>3 CURRENT LIABILITIES</b>			
(a) SHORT TERM PROVISIONS	6	320.88	474.79
(b) TRADE PAYABLES	7	1,663.50	822.01
(C) OTHER CURRENT LIABILITIES	8	248.95	315.43
<b>TOTAL (1+2+3)</b>		<b>25,490.34</b>	<b>24,398.60</b>
<b>II. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) FIXED ASSETS			
(i) TANGIBLE ASSETS	9	778.19	1,057.53
(ii) INTANGIBLE ASSETS	10	84.50	143.85
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT	11	78.73	73.81
(b) NON CURRENT INVESTMENT	12	700.00	2,500.12
(c) DEFERRED TAX ASSETS (Net)	5	117.68	101.52
(d) LONG TERM LOANS & ADVANCES	13	2,116.82	2,170.75
(e) OTHER NON CURRENT ASSETS	17	1,460.15	-
<b>2 CURRENT ASSETS</b>			
(a) SHORT TERM LOANS AND ADVANCES	13	1,087.86	1,144.87
(b) CURRENT INVESTMENT	14	6,338.43	4,077.35
(c) TRADE RECEIVABLES	15 a.	1,782.96	4,700.47
(d) CASH & CASH EQUIVALENTS	16	10,563.76	8,122.62
(e) OTHER CURRENT ASSETS	17	381.26	305.71
<b>TOTAL (1+2)</b>		<b>25,490.34</b>	<b>24,398.60</b>
Significant Accounting Policies and Notes on Accounts	1 to 41		

The Notes referred to above form an integral part of the Financial Statement.

This is the Financial Statement referred to in our report of even date.

For **Chaturvedi & Company**

Chartered Accountants

(Reg. no : 302137E )

On behalf of the Board

**Nilima Joshi**

Partner

M. No. 52122

**V. Surana**

CFO &amp; Company Secretary

**S. K. Jain**

Director

DIN : 00047474

**R. R. Jain**

Chairman &amp; Managing Director

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata

## Statement of Profit and Loss Account for the year ended March 31, 2016

After consolidating the results of the Company with those of its wholly owned subsidiary Responsive Solutions, Inc. and RS Software (Asia) Pte. Ltd.

₹ in Lac

Particular	Notes	Year ended March 31, 2016	Year ended March 31, 2015
<b>I REVENUE FROM OPERATION</b>	20	19,000.49	37,642.45
<b>II OTHER INCOME</b>	21	1,549.11	1,164.83
<b>III TOTAL REVENUE</b>		<b>20,549.60</b>	<b>38,807.28</b>
<b>IV EXPENSES :</b>			
PURCHASE OF STOCK IN TRADE	22	446.63	-
EMPLOYEE BENEFIT EXPENSES	23	12,997.94	19,232.64
SUBCONTRACTOR EXPENSES		1,823.70	4,982.95
FINANCE COST	24	21.86	16.85
DEPRECIATION	9 & 10	417.02	554.83
OPERATION AND OTHER EXPENSES	25	3,403.77	4,113.20
<b>Total</b>		<b>19,110.92</b>	<b>28,900.47</b>
<b>V PROFIT BEFORE TAX :</b>	(III - IV)	<b>1,438.68</b>	<b>9,906.81</b>
<b>VI TAX EXPENSES</b>			
CURRENT TAX		393.54	3,158.49
DEFERRED TAX		(16.16)	9.65
<b>VII PROFIT FOR THE PERIOD :</b>	(V - VI)	<b>1,061.30</b>	<b>6,738.67</b>
FACE VALUE OF SHARE		5.00	5.00
<b>VIII EARNING PER EQUITY SHARE :</b>	34		
BASIC		4.14	26.26
DILLUTED		4.13	26.24
Significant Accounting Policies and Notes on Accounts	1 to 41		

The Notes referred to above form an integral part of the Financial Statement.

This is the Financial Statement referred to in our report of even date.

For **Chaturvedi & Company**

Chartered Accountants

(Reg. no : 302137E)

On behalf of the Board

**Nilima Joshi**

Partner

M. No. 52122

**V. Surana**

CFO & Company Secretary

**S. K. Jain**

Director

DIN : 00047474

**R. R. Jain**

Chairman & Managing Director

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata

## Cash Flow Statement for the year ended March 31, 2016

After consolidating the results of the Company with those of its wholly owned subsidiary Responsive Solutions, Inc. and RS Software (Asia) Pte. Ltd.

₹ in Lac

Particular	Year ended March 31, 2016	Year ended March 31, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX	1,438.68	9,906.81
ADJUSTMENT FOR :		
DEPRECIATION	417.02	554.83
INTEREST PAID	21.86	37.93
FOREIGN EXCHANGE FLUCTUATION RESERVE	158.67	(53.14)
PROVISION FOR GRATUITY, LEAVE ENCASHMENT	222.93	77.11
INTEREST RECEIVED	(1,514.13)	(547.54)
DIVIDEND RECEIVED	(0.37)	(29.28)
EMPLOYEES EXPENSES AMORTIZATION	(361.11)	(89.76)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	383.55	9,856.96
ADJUSTMENT FOR :		
TRADE AND OTHER RECEIVABLES	2,917.51	(41.25)
LOANS AND ADVANCES AND OTHER ASSETS	(2,203.78)	(3,160.86)
TRADE PAYABLES & OTHER LIABILITIES	775.00	(548.09)
CASH GENERATED FROM OPERATIONS	1,872.28	6,106.76
CASH FLOW BEFORE EXTRAORDINARY ITEMS	1,872.28	6,106.76
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,872.28</b>	<b>6,106.76</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(83.25)	(282.80)
INTEREST RECEIVED	1,514.13	547.54
DIVIDEND RECEIVED	0.37	29.28
INVESTMENT MADE DURING THE YEAR	(460.97)	(1,323.31)
<b>NET CASH FROM INVESTMENT ACTIVITIES</b>	<b>970.28</b>	<b>(1,029.29)</b>
<b>C CASH FLOW FROM FINANCE ACTIVITIES:</b>		
PROCEEDS FROM SHARE APPLICATION	6.34	19.64
INTEREST PAID	(21.86)	(37.93)
DIVIDEND AND DIVIDEND TAX PAID	(76.85)	(991.50)
PAYMENT OF CSR FUND	(0.75)	(75.00)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(93.12)</b>	<b>(1,084.79)</b>
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<b>2,749.44</b>	<b>3,992.68</b>
OPENING CASH AND CASH EQUIVALENTS	8,122.62	4,129.94
CLOSING CASH AND CASH EQUIVALENTS	10,563.76	8,122.62

This is the Financial Statement referred to in our report of even date.

For **Chaturvedi & Company**

Chartered Accountants

(Reg. no : 302137E )

On behalf of the Board

**Nilima Joshi**

Partner

M. No. 52122

**V. Surana**

CFO & Company Secretary

**S. K. Jain**

Director

DIN : 00047474

**R. R. Jain**

Chairman & Managing Director

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata



## Notes on accounts for the year ended March 31, 2016

### 1 CORPORATE INFORMATION

R. S. Software has focused exclusively on providing software solution to electronic payment industries since its inception. The company is engaged in development, testing and maintenance of software for its clients based in different geographies. The company operates in US, UK and India.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### a) Convention

The financial statements have been prepared under the historical cost convention in accordance with the applicable Accounting Standards in India and the provisions of the Indian Companies Act, 2013.

#### b) Basis of Accounting

The Company follows accrual basis of accounting.

#### c) Revenue Recognition

Revenue is realised on time-and-material basis or Fixed Bid or Milestone as specified in the work order. Revenue from software development on time and material basis is recognised based on software developed and billed to clients as per the terms of specific contracts. Revenue from Fixed Bid contract is sent on monthly basis as per contract terms. Revenue from Milestone base contract is being recognised based on effort given during the period but the Invoice is sent to customer when the milestone is achieved as per contract. Value Added Tax in UK is not included in the income from Software development. Cheques issued in USA which are not encashed for two years are there after written back.

#### d) Fixed Assets

##### Tangible Assets

Fixed Assets are capitalized at cost inclusive of installation charges, interest & other financial charges on borrowings and other expenses for acquisition of such fixed assets till they are made operational.

##### Intangible Assets

Computer Software and License are capitalized at cost inclusive of installation charges, interest & other financial charges on borrowings and other expenses for installation of such License.

#### e) Depreciation and Amortisation

Depreciation on fixed assets is provided using the straight-line method on the basis of use full life of assets under schedule II of the Indian Companies Act, 2013. Depreciation on additions due to realignment of rupee value of foreign currency loan or fixed assets has been charged proportionately on the productive life of the assets. Intangible assets/Software Licences are amortised on there respective individual estimated useful lives on a straight line basis , commencing from the date the assets is available to the company for its use.

#### f) Investments

Long term Investments are valued at cost. Provision for diminution is made to recognize the decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually. Changes in carrying amount of investments are charged or credited to the Profit and Loss Account.

Investments, which are readily realizable and intended to be held for not more than one year from the date of investment made are classified as Current Investments. All investments other than long term investments are classified as non-current investments. Current Investment are valued at lower of Cost or Fair Value and diminution if any is considered at year end.

#### g) Foreign Currency Transaction

Foreign Currency Transactions are recorded at exchange rate prevailing at the closing of the month for respective months. Exchange difference arising on settlement was included in Profit & Loss Account till the accounts ended 30th September '2008. Foreign unit is considered as non-integral and the foreign exchange difference is transferred to "Inter Branch Foreign Fluctuation Reserve Account". Revenue items of the Foreign Branch are converted in equivalent Indian Rupees at the buying rate prevailing at the end of the month. Assets and Liabilities of the Foreign Branch are converted in equivalent Indian rupees at the applicable rate

## Notes on accounts *(contd.)* for the year ended March 31, 2016

prevailing at the end of the year. The effect of exchange rate fluctuation in respect of fixed assets is adjusted with the cost of the respective assets. Investment in subsidiary Company is being valued at carrying cost adjusted by any non-temporary decline in their value according to the requirements of statute.

### h) Spares and Consumables

Computer spares, accessories and stationery are charged to revenue in the year they are purchased.

### i) Income Tax

Current Income tax expense comprise taxes on income from operation in India and in foreign jurisdiction. Income tax payable in India is determination in accordance with the provision of I. Tax Act 1961. Tax expense relating to foreign operation is determined in operator is determined in accordance with the laws applicable in countries where such operations are domiciled.

Advance tax and provisions for current income taxes are presented in the Balance Sheet after off setting advance taxes paid and income tax provision arising in the same tax jurisdiction and where the company intends to settle the assets and liabilities on a net basis.

Deferred Tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods.

### j) Contingent liabilities

Contingent liabilities are not accounted for but have been disclosed by way of Notes to Accounts.

### k) Employee Benefits

Contribution of Employers share to Employees' Provident Fund and ESI are worked on accrual basis and charged to Profit & Loss Account. The Company also provides for Gratuity and Leave Encashment based on actuarial valuation made by an independent actuary as per Revised AS 15 Compliance of The Institute of Chartered Accountant of India.

### l) Asset taken on Lease

Lease rentals on operating leases are charged on a monthly basis to accounts.

Assets taken on Finance Lease have been capitalized during the year of agreement and charged off in accordance with the applicable rate of Depreciation.

### m) Impairment of Assets

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future post-tax cash flows of the relevant cash generating unit or fair value less cost to sell, whichever is higher. The discount rate is applied, based upon the weighted average cost of capital with appropriate adjustments for the risks associated with the relevant business. Any impairment in value is charged to the Income Statement in the year, which it occurs.

### n) Segment Reporting

The company's operating business are organised and managed as per Location of the client. Common costs are allocated to the cost based on the Revenue Mix. Unallocated costs are disclosed separately. The company prepare its segment information in conformity with the accounting policy adopted for preparing and presenting the financial statement of the Company as a whole.

### o) Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For Calculating Diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Notes on accounts (contd.) for the year ended March 31, 2016

### 3. SHARE CAPITAL

₹ in Lac

		Year ended March 31, 2016	Year ended March 31, 2015
<b>a</b>	<b>The AUTHORISED CAPITAL is :</b>		
	4,00,00,000 EQUITY SHARE OF ₹5/- EACH	2,000.00	2,000.00
	25,00,000 PREFERENCE SHARE OF ₹100/- EACH	2,500.00	2,500.00
		<b>4,500.00</b>	<b>4,500.00</b>
<b>b</b>	<b>ISSUED SUBSCRIBED AND PAID-UP-FULLY CALLED AND PAID UP</b>		
	2,56,93,318 EQUITY SHARE OF ₹5/- EACH	1,284.67	1,283.92
	(Previous Year 2,56,78,318 shares of ₹5 each)		
		<b>1,284.67</b>	<b>1,283.92</b>

The company has only one class of Shares referred to as equity share having a par value of ₹5/- at the beginning of the year. Each holder of equity share is entitled to one vote per share. (The Company has sub-divided the face value of equity shares from ₹10 to ₹5 per share during FY 14-15.)

In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has allotted 2411623 equity shares in FY 10-11 , 10640 equity share in FY 11-12 , 16226 equity share in FY 12-13 and 8372 equity share in FY 13-14 as bonus share.

#### c Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Equity Share	March 31, 2016		March 31, 2015	
	No. of Share	₹ in Lac	No. of Share	₹ in Lac
Number of shares at the beginning	2,56,78,318	1,283.92	1,28,04,834	1,280.49
Add : Shares issued as Preferential Allotment			-	-
Add : Shares issued as Bonus			-	-
Add : Shares issued on exercise of Employee Stock option	-		34,325	3.43
Add : Bonus Shares issued on Employee Stock option	15,000	0.75	-	-
Add : Share issued as a part of subdivision of shares	-	-	1,28,39,159	-
	<b>2,56,93,318</b>	<b>1,284.67</b>	<b>2,56,78,318</b>	<b>1,283.92</b>

#### d Shareholder holding more than 5% of the share as on

	March 31, 2016	March 31, 2015
Mr. Rajnit Rai Jain	94,58,014 Shares of ₹5 each	94,58,015 Shares of ₹5 each
	(36.81% of total shareholding)	(36.83% of total shareholding)

#### e Employee Stock option Plan

The Company has granted 75000 options of shares of face value ₹10 each to the directors and employees to be convertible into one equity share each, on 12th July, 2012 at the exercise price of ₹84.75 each. The same could be exercised after one year from the date of allotment of options. The Directors and Employees have exercised their options and the Directors have been allotted 45,000 Shares and Employee have been allotted (1st and 2nd instalment out of four) 15000 shares before Jan, 15. On Jan, 15 with the subdivision of shares, the balance 15000 option of EQ face value of ₹10 each converted to 30000 options EQ for face value ₹5 each. During the period ended Sep, 15 15000 options for EQ face value ₹5 each has been allotted to employees. As on date 15000 Options of ₹5 each are outstanding to be exercised.

## Notes on accounts (contd.) for the year ended March 31, 2016

## 4. RESERVE AND SURPLUS

₹ in Lac

	March 31, 2016	March 31, 2015
<b>SHARE FORFEITURE</b>		
The Company had forfeited 10% Application Money on 500,000 Warrants for Preferential Allotment to be Converted into Equity Shares against each Warrant in the absence of final call money being received within the due date in FY 2006-07 . The Warrant was allotted at ₹87 which included premium amount of ₹77.	43.50	43.50
<b>SECURITIES PREMIUM ACCOUNT</b>		
Balance at the beginning of the year	2,575.17	2,558.95
Add : Receipts on exercise of Preferential Allotment	-	-
Add : Receipts on exercise of employee stock options	5.60	16.22
Closing Balance	<b>2,580.77</b>	<b>2,575.17</b>
<b>PREFERENCE SHARE REDEMPTION RESERVE</b>		
Balance at the beginning of the year	255.31	255.31
Add : Transfer from Profit & Loss A/c	-	-
Less : Distributed as Bonus Share	-	-
Closing Balance	<b>255.31</b>	<b>255.31</b>
<b>CSR FUND</b>		
Balance at the beginning of the year	119.40	85.00
Add : Transfer from Profit & Loss A/c*1		109.40
Less : Transfer to Donation	(0.75)	(75.00)
Closing Balance	<b>118.65</b>	<b>119.40</b>
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS ACCOUNT</b>		
Balance at the beginning of the year	17,531.16	12,555.54
Less : MAT Credit reversed for earlier years	(385.48)	
Less : Fixed Assets Adjustment on account of realignment of useful life of assets	-	(445.80)
	-	(307.90)
Add : Change in Deferred tax on account of realignment of useful life of assets.	-	104.65
Add : Net Profit after tax from Statement of Profit and Loss	<b>1,061.30</b>	<b>6,738.67</b>
	<b>18,206.98</b>	<b>18,645.17</b>
Less Appropriations :		
Interim Equity Dividend *2 (₹ NIL per share, Previous year ₹4 per share)	-	(512.82)
Proposed Final Equity Dividend (₹1 per share, Previous year ₹1.25 per share)	(256.93)	(320.98)
Equity Dividend Tax	(51.37)	(170.81)
Trf to CSR Fund *1	-	(109.40)
Closing Balance	<b>17,898.68</b>	<b>17,531.16</b>
<b>CAPITAL RESERVE</b>	<b>56.68</b>	<b>56.70</b>
<b>INTER BRANCH FOREIGN FLUCTUATION RESERVE</b>		
Balance at the beginning of the year	531.01	584.15
Add : Fluctuation during the period	158.67	(53.14)
Closing Balance	<b>689.68</b>	<b>531.01</b>
	<b>21,643.27</b>	<b>21,112.25</b>

\*1 In computation of CSR Amount branch profit is not considered. The amount spent during the year FY 15-16 ₹11 Lac has been charged to Profit and Loss Account. Provision include ₹10 lac of FY 14 and ₹109.4 lac of FY 15.

\*2 In FY 16 the Company has Proposed Final Dividend @ ₹1 per share subject to shareholder's approval in AGM. (In FY 15 the Company has declared an interim Dividend @ ₹4 per share (face vale ₹10 per share) and proposed final dividend of ₹1.25 per share which is subject to shareholder's approval in AGM dated 10th July, 2015)

## Notes on accounts (contd.) for the year ended March 31, 2016

### 5. DEFERRED TAX ASSETS / (LIABILITY) - NET

₹ in Lac

	March 31, 2016	March 31, 2015
DTL on Account of Fixed Assets	47.87	86.37
DTA on Account of Accrued Employee benefits and B/f other Losses	165.55	187.89
<b>NET DEFERRED TAX ASSETS / (LIABILITY)</b>	<b>117.68</b>	<b>101.52</b>

### 6. PROVISIONS

₹ in Lac

	Long Term Provision		Short Term Provision	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
PROVISION FOR LEAVE ENCASHMENT *	50.45	131.11	1.73	16.68
PROVISION FOR GRATUITY *	278.62	259.09	10.85	72.95
PROVISION FOR INTERIM DIVIDEND TAX	-	-	-	-
PROVISION FOR INTERIM EQ DIVIDEND	-	-	-	-
PROVISION FOR PROPOSED EQ DIVIDEND	-	-	256.93	320.98
PROVISION FOR PROPOSED DIVIDEND TAX	-	-	51.37	64.18
* (Refer note 32)				
	<b>329.07</b>	<b>390.20</b>	<b>320.88</b>	<b>474.79</b>

### 7. TRADE PAYABLE (SHORT TERM)

₹ in Lac

	March 31, 2016	March 31, 2015
Other Than Acceptances	1,663.50	822.01
(refer note no. 33 for MMSE details )		
	<b>1,663.50</b>	<b>822.01</b>

### 8. OTHER CURRENT LIABILITIES

₹ in Lac

	March 31, 2016	March 31, 2015
SALARY PAYABLE	81.18	73.02
STATUTORY LIABILITY including PF, TDS, ESI etc.	166.39	241.23
OTHER PAYABLES	1.38	1.18
	<b>248.95</b>	<b>315.43</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

## 9. DETAILS OF TANGIBLE ASSETS

₹ in Lac

Particulars	Land	Building	Plant And Machineries	Office Equipment	Air Conditioner	Electrical Installations	Furniture and Fittings	Motor Vehicles	Total 31.3.2016	Total 31.3.2015
<b>Gross Block</b>										
<b>Opening Balance</b>	7.76	154.65	1,885.86	202.28	124.64	208.07	553.94	52.79	3,189.99	8,498.07
Additions during the period	-	-	20.83	29.89	-	-	5.27	-	55.99	112.89
Acquisitions through Business combination	-	-	-	-	-	-	-	-	-	-
Other Adjustments (rectification from OE to EE)	-	-	-	2.45	-	-	-	-	2.45	-
Less: Other Adjustments	-	-	-	-	-	-	-	-	-	5,415.41
<b>Sub-total</b>	<b>7.76</b>	<b>154.65</b>	<b>1,906.69</b>	<b>234.62</b>	<b>124.64</b>	<b>208.07</b>	<b>559.21</b>	<b>52.79</b>	<b>3,248.43</b>	<b>3,195.55</b>
Less: Disposals	-	-	-	2.23	-	4.29	-	-	6.52	5.57
<b>Gross block as on closing</b>	<b>7.76</b>	<b>154.65</b>	<b>1,906.69</b>	<b>232.38</b>	<b>124.64</b>	<b>203.78</b>	<b>559.22</b>	<b>52.79</b>	<b>3,241.91</b>	<b>3,189.98</b>
<b>Less: Depreciation / Amortization</b>										
Opening depreciation / amortization	-	45.17	1,407.59	110.89	56.17	101.65	380.39	30.59	2,132.45	6,866.89
Depreciation/ Amortization of the period	-	1.82	190.10	30.94	5.64	39.42	60.58	6.01	334.52	373.06
Other Adjustments (Assets Physically Present)	-	-	-	-	-	-	-	-	-	307.90
Other Adjustments (Assets not Physically Present)	-	-	-	-	-	-	-	-	-	-
Impairment loss/ Reversal of Impairment Loss	-	-	-	-	-	-	-	-	-	-
Less: Other Adjustments	-	-	-	-	-	-	-	-	-	-
Less: Accumulated dep on disposed off assets	-	-	-	1.42	-	1.83	-	-	3.25	5,415.41
<b>Total depreciation as on closing</b>	<b>-</b>	<b>46.99</b>	<b>1,597.69</b>	<b>140.41</b>	<b>61.82</b>	<b>139.24</b>	<b>440.97</b>	<b>36.60</b>	<b>2,463.72</b>	<b>2,132.45</b>
<b>Net Carrying Value (Closing)</b>	<b>7.76</b>	<b>107.66</b>	<b>309.00</b>	<b>91.96</b>	<b>62.82</b>	<b>64.55</b>	<b>118.24</b>	<b>16.19</b>	<b>778.19</b>	<b>1,057.53</b>
<b>Net Carrying Value Previous Year</b>	<b>7.76</b>	<b>109.48</b>	<b>478.27</b>	<b>91.38</b>	<b>68.46</b>	<b>106.42</b>	<b>173.55</b>	<b>22.20</b>	<b>1,057.53</b>	<b>1,631.18</b>

## Note:

- Land includes Leasehold land amounting to Rs. 458,694/-. The lease expires in year 2086.
- Building in Sector V comprising of 59600 sq ft was taken on lease for a period of 6 years which has been extended for further period of 4 years till April 2019.
- Depreciation amounting to ₹1,14,390 has been reduced on account of previous year on reconciliation.

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 10. DETAILS OF INTANGIBLE ASSETS

₹ in Lac

Particulars	TOTAL 31.3.2016	TOTAL 31.3.2015
	COMPUTER SOFTWARE & LICENCES	COMPUTER SOFTWARE & LICENCES
<b>Gross Block</b>		
Opening Balance	522.49	1,209.30
Additions during the period	23.16	175.49
Acquisitions through Business combination	-	-
Less: Other Adjustments	-	862.29
<b>Sub-total</b>	<b>545.65</b>	<b>522.49</b>
Less: Disposals	-	-
<b>Gross block as on closing</b>	<b>545.65</b>	<b>522.49</b>
<b>Less: Depreciation / Amortization</b>	<b>-</b>	<b>-</b>
Opening depreciation / amortization	378.65	1,059.17
Depreciation/Amortization of the period	82.50	181.77
Less: Impairment loss/Reversal of Impairment Loss	-	862.29
<b>Total depreciation as on closing</b>	<b>461.15</b>	<b>378.65</b>
<b>Net Carrying Value (Closing)</b>	<b>84.50</b>	<b>143.85</b>
<b>Net Carrying Value Previous Year</b>	<b>143.85</b>	<b>150.13</b>

### 11. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lac

	March 31, 2016	March 31, 2015
ERP IMPLEMENTATION	73.81	73.81
Others	4.92	-
	<b>78.73</b>	<b>73.81</b>

### 12. NON-CURRENT INVESTMENTS (AT COST)

₹ in Lac

	No. of unit	March 31, 2016	No. of unit	March 31, 2015
(Others - unquoted)				
<b>In Mutual Fund -</b>				
Reliance Fixed Horizon Fund - XXV- series 14- Growth plan	3000000	300.00	3000000	300.00
HDFC FMP 371D December 2013 (2) series 29 - Direct growth	NIL	-	NIL	-
HDFC FMP 554D NOV 2013-1-DIRECT-GR	NIL	-	3000000	300.00
ICICI Prudential Fixed Maturity Plan - Series 67	NIL	-	NIL	-
ICICI PRUDENTIAL FMP SERIES 71- 480 DAYS	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - Xxiii- series 4- Growth plan	NIL	-	NIL	-
Reliance Fixed Horizon Fund - Xxiii- series 5- Growth plan	NIL	-	NIL	-
Reliance Fixed Horizon Fund - XXV- series 11- Growth plan	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 12- Growth plan	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 13- Growth plan	NIL	-	2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 15- Growth plan	2000000	200.00	2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 16- Growth plan	2000000	200.00	2000000	200.00
DSP FMP S154-12-5M	NIL	-	4001173	400.12
(Aggregate NAV of Mutual Fund as on MARCH 31, 2016 ₹820.75 Lac ) (as on 'MARCH 31, 2015 ₹2761.9 lac)				
		<b>700.00</b>		<b>2,500.12</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

## 13. LOANS AND ADVANCES

₹ in Lac

	Long Term Loans & Advances		Short Term Loans & Advances	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Unsecured and Considered good)				
<b>LOAN</b>				
(Recoverable in cash or in kind or for value to be received)				
ADVANCE TO R S EMPLOYEE WELFARE TRUST	1,300.00	1,300.00	-	-
<b>ADVANCES</b>				
(Recoverable in cash or in kind or for value to be received)				
ADVANCE AGAINST EXPENSES	-	-	297.93	2.55
PREPAID EXPENSES	26.56	26.55	142.94	403.86
DEPOSITS	69.39	71.15	57.42	69.39
ADVANCE TO STAFF	-	-	8.18	36.00
ADVANCE TAXES (Net of Provisions)	332.86	478.65	449.14	479.73
BALANCES WITH GOVT. AUTHORITIES	388.01	294.40	132.25	153.34
	<b>2,116.82</b>	<b>2,170.75</b>	<b>1,087.86</b>	<b>1,144.87</b>

## 14. CURRENT INVESTMENT

₹ in Lac

	No. of unit	March 31, 2016	No. of unit	March 31, 2015
(At Cost or Fair value whichever is less)				
<b>Investment in Mutual Fund (Others - unquoted)</b>				
Investment in Mutual Fund (Others - unquoted)	NIL	-	3211115	750.00
Franklin India Low duration Fund - Direct	NIL	-	1157198	300.00
Franklin India Treasury Management - Super Institution Plan	NIL	-	102	2.12
IDFC - SSIF - Inv Plan- Plan A - Growth Option	NIL	-	11990	250.00
Reliance Dynamic Bond Fund - Growth Plan (NI-GP)	NIL	-	89216	200.00
SBI Magnum Gilt Fund - LT - Direct - Growth	NIL	-	880837	300.00
SBI Magnum Income Fund - Direct - Growth	NIL	-	1892568	400.00
Birla Sun Life cash plus -D DIP	89216	200.00	2351439	350.00
DHFL Pramerica Ultra Short Term Bond Fund- Direct Plan- Growth	1248156	257.02	1421388	400.00
DSB BlackRock Strategic Bond Fund -	17595	250.00	2663581	400.10
HDFC Floating Rate Income fund ST plan	1536310	400.00	742539	200.00
HDFC FMC 92D MARCH 2016 - DIRECT GR	4292858	429.29	17595	250.00
ICICI Prudential Flexible Income Plan - Direct Plan- Growth	143725	400.00	719197	275.13
ICICI Prudential Liquid - Direct Plan- Growth	2,32,206	500.00	NIL	-
IDFC Dynamic Bond fund growth - Direct Plan	16,72,231	300.00	NIL	-
IDFC Liquid fund	17,144	300.00	NIL	-
JM High Liquidity Fund (Direct) - DDO	6,25,846	250.00	NIL	-
Kotak Bond (Short Term) - Direct Plan - Growth	11,57,198	300.00	NIL	-
Kotak Bond scheme plan A - Direct Plan - Growth	4,93,910	200.00	NIL	-
L and T liquid fund - Collection Account	15,199	300.00	NIL	-



## Notes on accounts (contd.) for the year ended March 31, 2016

### 14. CURRENT INVESTMENT (contd.)

₹ in Lac

	No. of unit	March 31, 2016	No. of unit	March 31, 2015
Reliance Banking & PSU Debt Fund- DGP	30,00,000	300.00	NIL	-
Reliance Floating rate Fund -ST Plan- Direct Growth	18,92,568	400.00	NIL	-
Reliance Liquidity Fund DDD,	102	2.12	NIL	-
DHFL Pramerica Ultra Short Term Bond Fund- Direct Plan- Growth	14,29,194	400.00	NIL	-
ICICI Prudential Flexible Income Plan - Direct Plan- Growth	32,267	500.00	NIL	-
IDFC Dynamic Bond fund growth - Direct Plan	14,63,636	300.00	NIL	-
JM High Liquidity Fund (Direct) - DDO	28,20,579	350.00	NIL	-
(Aggregate NAV of Mutual Fund as on MARCH 31, 2016 ₹6655.74 Lac) (as on 'MARCH 31, 2015 ₹4379.49 Lac)				
		<b>6,338.43</b>		<b>4,077.35</b>

### 15 a. TRADE RECEIVABLES

₹ in Lac

	March 31, 2016	March 31, 2015
(Unsecured and Considered good)		
Trade Receivable for a period exceeding Six Months	-	-
Others	1,782.96	4,700.47
	<b>1,782.96</b>	<b>4,700.47</b>

### b. UNBILLED REVENUE:

Unbilled but accrued revenue included in Trade receivable valued as on MARCH 31, 2016 amounts to ₹559.98 lac (MARCH 31, 2015 ₹3691.9 Lac) primarily comprises of revenue recognised in relation to a percentage of work completed during the period which would be invoiced on achieving the particular milestone i.e based on the work order or contractual terms and also include the Invoices which due to be sent to customer as on MARCH 31, 2016 ₹ NIL Lac (MARCH 31, 2015 ₹10.7 Lac).

### 16. CASH AND BANK BALANCE

₹ in Lac

	March 31, 2016	March 31, 2015
<b>CASH &amp; CASH EQUIVALENTS</b>		
CASH IN HAND	12.73	0.38
Fixed Deposits with Yes Bank- with original maturity less than 3 Months	-	-
<b>BALANCE WITH BANK :</b>		
SCHEDULED BANKS		
- in Current Account (Axis bank & Allahabad Bank)	13.57	15.81
- in Current Account (HDFC Bank)	3.84	2.24
- in Current Account (ICICI Bank)	138.95	45.04
- in Current Account (YES Bank)	42.28	54.14
- in Current Account (SBI Bank)	2.11	-
FOREIGN BANK		
- in Current Account (Bk of America, Silicon Valley Bk, ICICI Bk UK Ltd.)	2,724.89	1,599.63

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 16. CASH AND BANK BALANCE *(contd.)*

₹ in Lac

	March 31, 2016	March 31, 2015
<b>OTHER BANK BALANCES</b>		
<b>FIXED DEPOSITS - with original maturity less than 12 Months</b>		
Fixed Deposits with Yes Bank	7,147.84	6,190.80
Fixed Deposits with ICICI Bank	-	201.09
<b>In margin Money deposits against guarantees (in lien)</b>		
Axis Bank	-	5.67
ICICI Bank	152.57	0.10
Allahabad Bank	8.63	-
Yes Bank	316.35	7.72
	<b>10,563.76</b>	<b>8,122.62</b>

The Company has twelve Dividend Accounts being balances comprising of amount of ₹55.61 Lac which are still unpaid since FY 10-11. The same is not included in current assets and current liabilities of the company.

### 17. OTHER ASSETS

₹ in Lac

	Other Non Current Assets		Other Current Assets	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Bank Deposits (with original Maturity more than 12 Months)	1,436.02	-	-	-
Interest Accrued on R S EMPLOYEE WELFARE TRUST	-	-	336.42	234.05
Interest Accrued on Fixed Deposits	24.13	-	44.84	71.66
	<b>1,460.15</b>	<b>-</b>	<b>381.26</b>	<b>305.71</b>

### 18. CONTINGENT LIABILITIES

₹ in Lac

	March 31, 2016	March 31, 2015
(To the extent not provided for in the books)		
Guarantee Outstanding	458.80	5.20
Invoice Funding with Silicon Valley Bank	(0.00)	1,122.45

### 19. COMMITMENTS

#### Other Commitment

- Company has a lease agreement for the premises of Saltlake City, Sector V, Kolkata, The Lease has been renewed till 2019.
- Company has spent ₹73.81 lac (March, 15 ₹73.81 Lac) towards ERP implementation as on MARCH 31, 2016 which is still under development stage by in house team.

### 20. REVENUE FROM OPERATION

₹ in Lac

	March 31, 2016	March 31, 2015
Export of Software Services Income	18,001.82	37,596.22
Domestic Income from Software Services	507.53	46.23
Domestic Sales of stock in trade	491.14	-
	<b>19,000.49</b>	<b>37,642.45</b>

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 21. DETAILS OF OTHER INCOME

₹ in Lac

	March 31, 2016	March 31, 2015
Interest Received from Bank & Other Investment	665.75	547.54
(including TDS ₹66.57 Lac (previous year ₹54.74 lac))	-	-
Net gain on Investments in Mutual Funds	734.63	213.09
Dividend Income	0.37	29.28
Interest from Employee Welfare Trust	113.75	123.12
(including TDS ₹11.37 Lac (previous year ₹12.31 lac))	-	-
Interest from Income Tax Refund	-	20.13
Other Non-operating Income From Subsidiary	18.14	19.24
Other Income	15.73	8.59
Provision on subsidiary written back	-	163.29
Liability no longer required written back	0.74	40.55
	<b>1,549.11</b>	<b>1,164.83</b>

### 22. PURCHASE OF STOCK IN TRADE

₹ in Lac

	March 31, 2016	March 31, 2015
Purchase of stock in trade	446.63	-
	<b>446.63</b>	<b>-</b>

### 23. EMPLOYEE BENEFIT EXPENSES

₹ in Lac

	March 31, 2016	March 31, 2015
Salary Wages And Bonus	11,831.19	17,841.72
Contribution to PF And Other Funds	309.07	394.16
Staff Welfare Expenses	857.68	996.76
	<b>12,997.94</b>	<b>19,232.64</b>

### 24. FINANCE COST

₹ in Lac

	March 31, 2016	March 31, 2015
Interest Expenses	13.76	16.45
Other Borrowing Cost	6.94	-
Interest Paid on dividend tax	-	0.40
Interest paid on TDS contractor	1.16	-
	<b>21.86</b>	<b>16.85</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

## 25. OPERATION AND OTHER EXPENSES

	₹ in Lac	
	March 31, 2016	March 31, 2015
Travelling	1,091.30	1,546.66
Conveyance	103.95	97.34
Staff Welfare	54.56	139.09
Communication	302.88	389.90
Printing and Stationery	17.64	23.00
Electricity and Power	129.29	171.26
Rent - Apartment & Ground	390.68	444.60
Repairs - Machinery	201.47	182.29
Repairs - Building	89.91	86.34
Repairs - Others	7.91	3.52
Education and Training Expenses	18.41	17.76
Insurance	132.25	132.27
Auditors' Remuneration - Refer Note no.27	4.78	3.70
Books and Periodicals	0.79	6.87
Directors' Fees *	23.43	18.88
Rates & Taxes	165.67	223.42
Legal / Professional Fee	214.97	150.30
Consultancy Charges	221.37	229.28
Recruitment & Relocation Expenses	49.09	49.85
General and Board Meeting expenses	10.52	21.85
Membership and Subscription	29.49	23.87
Business Promotion	83.60	80.08
Advertisement	16.78	29.39
Net loss on Foreign currency Transaction	6.26	17.48
Bank Changes	25.30	21.07
Donation against CSR	11.00	-
Loss on Discard of Assets	0.47	3.13
	<b>3,403.77</b>	<b>4,113.20</b>

\* Its inclusive of service tax for current year

	₹ in Lac	
	March 31, 2016	March 31, 2015
Income Tax deducted on domestic income	NIL	4.62

## 27. AUDITOR'S REMUNERATION

	₹ in Lac	
	March 31, 2016	March 31, 2015
As Statutory Auditors	2.50	2.50
Tax Audit	0.50	0.50
Other certification	1.78	0.70
The above remunerations are not inclusive of service tax as applicable		
	<b>4.78</b>	<b>3.70</b>

## Notes on accounts (contd.) for the year ended March 31, 2016

### 28. PRIOR PERIOD EXPENSES INCURRED

	₹ in Lac	
	March 31, 2016	March 31, 2015
	NIL	NIL

29. There is no Impairment of assets during the quarter ended as on MARCH 31, 2016.

30. In respect of service tax which are non cenvatable or non refundable the same amount is being charged to respective expense account.

31. The Company has renewed lease for Building with Saltee Infotex (India) Pvt. Ltd. for the period of 4 years expiring on 30th April, 19. The amount of ₹217.15 Lac (Previous Year 31.03.2015 ₹217.55 Lac) has been charged under Rent-Apartment & Ground in the profit & Loss Account during the period ended MARCH 31, 2016.

	₹ in Lac
Total Minimum Lease Payment outstanding as at	March 31, 2016
Within One Year	110.59
More than One Year	556.12

### 32. EMPLOYEE BENEFIT PROVISIONS

The company get the actuarial valuation of employee benefit done at the year end. The provision made during the period by the company is based on expected proportionate of last year's Acturial valuation. In the absence of any valuation done for Short term provision same proportion as considered in March, 15 is considered for June, 15 also.

	₹ in Lac	
	March 31, 2016	March 31, 2015
Provision for Leave Encashment	37.01	23.80
Provision for Gratuity	185.92	53.31
	<b>222.93</b>	<b>77.11</b>

TABLE 1

Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Net Asset / Liability, Recognised in the Balance Sheet.

Sl.	Description	₹ in Lac			
		Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Present Value of Defined Benefit Obligation	-289.47	-332.04	-52.17	-81.07
ii)	Fair Value of Plan Assets	-	-	-	-
iii)	Funded Status [Surplus / (Deficit)]	-289.47	-332.04	-52.17	-81.07
iv)	Unrecognised Past Service Cost	-	-	-	-
v)	Effect of balance sheet asset limit	-	-	-	-
vi)	Net Asset / (Liability) recognized in the Balance Sheet	-289.47	-332.04	-52.17	-81.07

Sl.	Description	₹ in Lac			
		Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
a)	Current Liability	10.85	72.95	1.73	16.68
b)	Non Current Liability	278.62	259.09	50.45	64.39

## Notes on accounts (contd.) for the year ended March 31, 2016

## 32. EMPLOYEE BENEFIT PROVISIONS (contd.)

TABLE 2

Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Disclosure of employer expense for the year ending 31st MARCH, 2016.

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Current Service cost (including risk premium for fully insured benefits)	44.53	93.82	12.19	14.29
ii)	Interest Cost	26.56	27.88	6.49	68.49
iii)	Expected Return of Asset (-)	-	-	-	-
iv)	Curtailement Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Past Service Cost	-	-	-	-
vii)	Actuarial Gains (-) / Loss (+)	114.82	-63.13	18.34	-57.27
viii)	Appreciation/Depreciation of Plan Assets	-	-	-	-
	<b>Total employer expenses recognized in P &amp; L</b>	<b>185.92</b>	<b>58.57</b>	<b>37.01</b>	<b>25.50</b>

TABLE 3

Actuarial calculations for AS 15 (Rev. 2005) purpose change in obligations / assets in the year ending 31st March 2016.

## A. Change in Obligation in the year ended 31.03.2016

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Present Value of Defined Benefit Obligation at the beginning of the year.	332.04	364.98	81.07	90.15
ii)	Employer Service Cost (+)	44.53	93.82	12.19	14.29
iii)	Interest Cost (+)	26.56	27.88	6.49	68.49
iv)	Curtailement Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Employee contribution	-	-	-	-
vii)	Plan Amendments	-	-	-	-
viii)	Acquisitions	-	-	-	-
ix)	Actuarial Gains (-) / Loss (+)	114.82	-63.13	18.34	-57.27
x)	Benefit Payments (-)	-228.48	-91.51	-65.91	-34.58
xi)	Present Value of DB obligations at the end of the year	289.47	332.04	52.17	81.07

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 32. EMPLOYEE BENEFIT PROVISIONS *(contd.)*

TABLE 4

Reconciliation of Net Assets / (Liability) recognized in the Balance Sheet as at 31st March, 2016.

₹ in Lac

Sl.	Description	Gratuity Fund		Leave Encashment	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the year.	332.04	364.98	81.07	90.15
ii)	Employer Expenses	185.92	58.57	37.01	25.50
iii)	Employer Contributions.	-228.48	-91.51	-65.91	-34.58
iv)	Acquisitions.	-	-	-	-
v)	Net Asset / (Liability) recognized in balance sheet at the ending of the year	289.47	332.04	52.17	81.07

### B. Summary of Membership Data

₹ in Lac

Active Members	March 31, 2016	March 31, 2015
Number of Employees	422.00	660.00
Total Monthly Salaries (₹ in Lac)	141.55	214.12
Avg. Monthly Salary per employees (₹ in Lac)	0.34	0.32
Average past services (yrs)	5.34	4.99
Average future services (yrs)	24.49	24.17

### 33.

#### a) Enterprises where control exists:

Wholly Owned Subsidiaries:	% of holding	Country of Incorporation
Responsive Solutions, Inc.	100%	USA
RS Software (Asia) Pte. Ltd.	100%	Singapore

#### b) Key Managerial Personnel:

Mr. Rajnit Rai Jain	-	Chairman and Managing Director
Mr. Richard Launder	-	Director
Mr. Shital Kr. Jain	-	Director
Mr. R Ramaraj	-	Director
Mrs. Sarita Jain	-	Director
Mr. Raghav Raj Jain	-	Executive - Sales
Ms. Shrishti Jain	-	Executive - BSG
Mr. Vijendra Surana	-	CFO & Company Secretary

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 33. *(contd.)*

#### c) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances

##### i. With Wholly Owned Subsidiary (WOS)

₹ in Lac

Particulars	March 31, 2016 Amount	March 31, 2015 Amount
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solutions, Inc.	170.58	174.14
Reimbursing the subsidiary towards service rendered by them at a agreed margin.		
RS Software (Asia) Pte. Ltd.	1,421.69	3,056.22
Reimbursing the Other Cost from subsidiary on actual.		
RS Software (Asia) Pte. Ltd.	1,187.89	373.18
Balance as on MARCH 31, 2016 :		
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solutions, Inc.	NIL	NIL
Reimbursing the Other Cost from subsidiary on actual.		
RS Software (Asia) Pte. Ltd.	NIL	NIL
Maximum balance outstanding during the year		
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solutions, Inc.	36.12	34.98
Reimbursing the Other Cost from subsidiary on actual.		
RS Software (Asia) Pte. Ltd.	35.58	618.28

##### ii. With Related parties

₹ in Lac

Particulars	March 31, 2016 Amount	March 31, 2015 Amount
Remuneration to Key Personnel:		
- Directors (Sitting Fees)	20.80	16.80
- Managing Director	82.55	72.53
- Relative of Managing Director	171.59	108.74

#### 34. EPS has been calculated as per the provisions of AS-20, issued by the Institute of Chartered Accountants of India. The details of calculation are as follows:

₹ in Lac

Particulars	March 31, 2016	March 31, 2015
Numerator for Basic and Diluted EPS:		
Profit for the Year ended	1,061.30	6,738.67
Denominator for Basic EPS:		
Equity Shares	2,56,57,577	1,28,04,834
Add: ESOP Conversion	-	13,583.90
Add: Preferential Issue	-	-
Add : Bonus Issue	-	-
Add : Share issued for subdivision of shares	-	1,28,39,159



## Notes on accounts (contd.) for the year ended March 31, 2016

34. (contd.)

Particulars	₹ in Lac	
	March 31, 2016	March 31, 2015
Weighted no. of Equity Shares	2,56,57,577	2,56,57,577
Denominator for Diluted Shares	-	-
Weighted No. of Basic Equity Shares	2,56,57,577	2,56,57,577
Add: ESOP Conversion	-	-
ESOP Dilutive	9,197	20,478.65
Pref Share allotment	-	-
Weighted no. of Equity Shares	2,56,66,774	2,56,78,056
Nominal Value of share	5.00	5.00
Basic Earning per Share	4.14	26.26
Diluted Earning per Share	4.13	26.24

35. There is no declaration received from vendor for small, medium & Micro registration.

36. Additional Information pursuant to provisions of the Para 5 (vii) (b) of Part II Schedule III for the Companies Act, 2013:-

a. The Company is engaged in the business of development & maintenance of computer software and other related services. The production and sale of such software services are not capable of being expressed in generic terms.

Particulars	₹ in Lac	
	March 31, 2016	March 31, 2015
<b>Expenditure in Foreign Currency:</b>		
Foreign branch expenditure	10,049.39	20,696.07
<b>Earning in Foreign Currency</b>		
Export of services	16,143.08	37,600.43

b. Additional Information pursuant to provisions of the Para 2 of Part II Schedule III for the Companies Act, 2013:-

	Net Assets i.e total assets minus total liability		Share in profit or Loss	
	As a % consolidated net Assets	₹ in Lac	As a % consolidated profit & loss	₹ in Lac
Parent Company				
R. S. Software (India) Ltd.	93.18%	21,523.89	74.92%	795.13
Subsidiary Company - Foreign				
Responsive Solutions, Inc. ( 100% Subsidiary)	2.43%	560.37	3.74%	39.70
RS Software (Asia) Pte. Ltd. ( 100% Subsidiary)	4.39%	1,015.00	21.34%	226.46

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 36. Additional Information pursuant to provisions of the Para 5 (vii) (b) of Part II Schedule III for the Companies Act, 2013:- *(contd.)*

#### c. Remittance in Foreign Currency

The Company has remitted ₹ Nil (March 31, 2015 : ₹ Nil) in foreign currencies on accounts of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The Particulars of dividends declared and paid on account of non-resident shareholders for the years 2010-11 to 2014-15 are as under :-

Particulars	No. of Non-resident Shareholders	No. of Equity Shares held	Year end of Dividend	Gross Amount of dividend
Final dividend for 2010-11 declared in July, 11	134	205495	March, 2011	4,10,990.00
Interim Dividend for 2011-12 declared in January, 12	130	126018	March, 2012	1,26,018.00
Final dividend for 2011-12 declared in July, 12	134	468631	March, 2012	9,37,262.00
Interim Dividend for 2012-13 declared in January, 13	202	511382	March, 2013	7,67,073.00
Final dividend for 2012-13 declared in July, 13	202	725249	March, 2013	14,50,498.00
Interim Dividend for 2013-14 declared in October, 13	208	780530	March, 2014	19,51,325.00
Interim Q3 Dividend for 2013-14 declared in January, 14	198	698165	March, 2014	6,98,165.00
Final dividend for 2013-14 declared in July, 14	291	612005	March, 2014	15,30,012.50
Interim dividend for 2014-15 declared in July, 14	345	657550	March, 2015	6,57,550.00
2nd Interim dividend for 2014-15 declared in October, 14	383	739421	March, 2015	11,09,131.50
3rd Interim dividend for 2014-15 declared in January, 15	443	2509030	March, 2015	18,81,772.50
Final dividend for 2014-15 declared in April, 15	588	2229422	March, 2015	27,86,777.50

### 37. Reporting of Segment Wise Revenue, Results and Capital Employed:

₹ in Lac

	Year ended March 31, 2016	Year ended March 31, 2015
<b>1. Segment Revenue ( net sale / income from each segment should be disclosed)</b>		
a. Segment - A (USA)	15,713.50	36,157.04
b. Segment - B (ROW)	3,286.99	1,485.41
<b>Total</b>	<b>19,000.49</b>	<b>37,642.45</b>
<b>Other Income</b>		
Segment - B (ROW)	1,549.11	1,164.83
<b>Total</b>	<b>20,549.60</b>	<b>38,807.28</b>
Less : Inter - segment revenue	-	-
<b>Net Revenue from Operations</b>	<b>20,549.60</b>	<b>38,807.28</b>
<b>2. Segment Results Profit/(Loss) before Tax &amp; Interest from each segment</b>		
a. Segment - A (USA)	1,173.41	10,376.72
b. Segment - B (ROW)	2,444.01	1,476.02
<b>Total</b>	<b>3,617.42</b>	<b>11,852.74</b>
Less : Interest	21.86	37.92
Less : Depreciation	417.02	554.83
Less : Unallocable Selling , General & Administrative Expenses	1,739.86	1,322.16
<b>Profit before tax</b>	<b>1,438.68</b>	<b>9,937.83</b>
<b>3. Capital Employed</b>		
Total Assets	25,490.34	24,398.60
Total Liability	25,490.34	24,398.60

**Note :** \*Assets used in the Company's business are not capable of being specifically identified with any of the segments, and it is not practicable to provide segmented disclosures in relation to total assets and liabilities with any reasonable degree of accuracy. Unallocated expenses have not been disclosed in any segment.

## Notes on accounts *(contd.)* for the year ended March 31, 2016

### 38. Disclosure under clause 32 of the listing agreement amount of loans and advances outstanding from subsidiary

₹ in Lac

	March 31, 2016	March 31, 2015
<b>Outstanding as on</b>		
Responsive Solutions, Inc.	NIL	NIL
RS Software (Asia) Pte. Ltd.	NIL	NIL
<b>Maximum balance outstanding during the period</b>		
Responsive Solutions, Inc.	36.12	34.98
RS Software (Asia) Pte. Ltd.	35.58	618.28

39. The Company is primarily engaged in the rendering services relating to maintenance and testing of Computer Software . These cannot be expressed in any generic units. Hence it is not possible to give the quantities details of sales and certain information as required under paragraph 5 (viii) (c) of general instructions for preparation of statement of profits and loss as per revised schedule VI of the Companies Act 2013.

40. The previous year figures have been regrouped, reclassified and restated, wherever necessary, to correspond with the current year's classification.

41. Financial figures have been rounded off to nearest ₹ Lac.

For **Chaturvedi & Company**

*Chartered Accountants*

(Reg. no : 302137E )

On behalf of the Board

**Nilima Joshi**

*Partner*

M. No. 52122

**V. Surana**

*CFO & Company Secretary*

**S. K. Jain**

*Director*

DIN : 00047474

**R. R. Jain**

*Chairman & Managing Director*

DIN : 00122942

Dated: April 23rd , 2016.

Place : Kolkata





# R. S. SOFTWARE (INDIA) LTD

(CIN: L72200WB1987PLC043375)

Regd.Office: "FMC Fortuna", 1st Floor, A-2, 234/3A A.J.C. Bose Road, Kolkata – 700 020.

## Proxy Form

Form No. MGT-11

I/We being the member(s) of .....shares of the above named company hereby appoint:

- 1) Name..... Address.....  
Email ID..... Signature.....or failing him;
- 2) Name..... Address.....  
Email ID..... Signature.....or failing him;
- 3) Name..... Address.....  
Email ID..... Signature.....

As my/our proxy to attend and vote for me / us and on my behalf at the Twenty Eight Annual General Meeting of the company, to be held on July 21, 2016 at 11:30 A.M. at RABINDRA TIRTHA, 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata – 700 156 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolution No:

- 1. Ordinary Resolution for adoption of Audited Financial Statements for the year ended March 31, 2016.
- 2. Ordinary Resolution to declare a final dividend @ 20% i.e. Rs.1.00 per equity share for the financial year ended March 31, 2016.
- 3. Ordinary Resolution to appoint a Director in place of Mr. Rajnit Rai Jain (holding DIN 00122942), who retires by rotation and, being eligible, seeks re-appointment.
- 4. Ordinary Resolution under Section 139, 142 and other applicable provisions of the Companies Act, 2013 for the appointment of M/s Chaturvedi & Company (Registration No. 302137E ), Statutory Auditor of the Company and fixing their remuneration.
- 5. Special Resolution to approve the Company's Stock Option Scheme 2016 pursuant to the provisions of Section 62 and applicable provisions, if any of the Companies Act 2013 and pursuant to the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 2009.

Signed this..... day of.....2016.

Folio No. / DPID & Client ID .....

No. of shares held.....

Signature of the Shareholder.....

Signature of Proxy holder(s).....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





**R. S. SOFTWARE (INDIA) LTD**

(CIN: L72200WB1987PLC043375)

Regd.Office: "FMC Fortuna", 1st Floor, A-2, 234/3A A.J.C. Bose Road, Kolkata – 700 020.

## Attendance Slip

I hereby record my presence at the ANNUAL GENERAL MEETING at 11:30 A.M on Thursday, July 21, 2016.

Name of the attending Member \_\_\_\_\_  
(in block letters)

Folio No / DP ID & Client ID \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(in block letters, to be filled in if the Proxy attends instead of the Member)

No. of shares held \_\_\_\_\_

\*Member's/Proxy's Signature

\*To be signed at the time of handing over this slip

This attendance slip duly filled in to be handed over at the entrance of the Meeting Hall

# ROAD MAP







**R. S. SOFTWARE (INDIA) LTD**

(CIN: L72200WB1987PLC043375)

Regd.Office: "FMC Fortuna", 1st Floor, A-2, 234/3A A.J.C. Bose Road, Kolkata – 700 020.

Dear Shareholder,

We invite your attention to the following points and request you to take necessary action(s) as applicable to you.

In terms of Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, henceforth payment of dividend will be made through ECS/NECS/NEFT etc. only.

- 1) Accordingly you are requested to send your correct bank account details (including MICR No., IFSC Code, Account Type etc.) to your Depository Participant before July 14, 2016 if you are holding shares in demat form.
- 2) If you are holding shares in physical form, Company will mandatorily print the bank account details of the shareholders on physical dividend warrant. In cases where either the bank details such as MICR/IFSC etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank dividend warrant will be sent after printing the correct bank account details on it only. Accordingly, you are requested to send before July 14, 2016 (as per the format given below) your complete bank details along with a cancelled cheque to **C.B. Management Services (P) Ltd**, the Registrars & Share Transfer Agents of the Company at the address **P-22, Bondel Road, Kolkata – 700 019** to enable us to credit the dividend amount directly to your Bank account.

(PLEASE USE CAPITAL LETTERS)

Folio No.....	No. of shares.....
Name of the first/sole shareholder	: .....
Name of the Bank	: .....
Branch and Full Address	: .....
Account Type (Savings/current/cash Credit)	: .....
Account Number (as appearing on the cheque book)	: .....
RTGS/NEFT IFSC Code	: .....
Ledger Folio No. (if any, as appearing on the cheque book)	: .....
9-digit Code Number of the Bank and Branch (appearing on the MICR cheque issued by the Bank)	: .....

I hereby declare that the particulars furnished above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information provided as above or any error made by the Bank(s), the Company will not be held responsible. I hereby undertake to inform the Company immediately of any change in my Bank/Branch and account number.

Date...../...../16  
Place:

\_\_\_\_\_  
Signature of the First/Sole Shareholder

Encl: Copy of Bank Cheque Leaf

3) In respect of Non-resident shareholders, as a general rule, the dividend income on shares acquired subject to the condition that they will not carry the right of repatriation, are required to be credited to the Investor's NRO account. In other cases, (i.e., shareholders having the right of repatriation), the Indian Companies are required to remit dividend to such non-resident shareholders through the Authorized Dealers. In this view the non-resident shareholders must provide the information as mentioned below:-

(PLEASE USE CAPITAL LETTERS)

Name of the first/sole shareholder(s) : .....

Folio No/DP ID / CL ID : .....

Number of shares : .....

Place/Country of permanent residence : .....

Nationality : .....

Reserve Bank Approval No and Date for Acquiring shares : .....

Beneficiary Status With Repatriation right/  
With Non-Repatriation right

Contact No. : .....

Email ID : .....

Name of the Bank : .....

Bank Account No. : .....

Account Type : NRO / NRE / FCNR

Branch Name & Address : .....

IFSC (Indian Financial System Code) : .....

9 digit MICR (Magnetic Ink Character Recognition) : .....

I hereby declare that the particulars furnished above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information provided as above or any error made by the Bank(s), the Company will not be held responsible. I hereby undertake to inform the Company immediately of any change in my Bank/Branch and account number.

Date...../...../16

Place:

\_\_\_\_\_  
Signature of the First/Sole Shareholder

Encl: Copy of Bank Cheque Leaf





R.S. SOFTWARE (INDIA) LIMITED  
A-2, FMC FORTUNA, 234/3A, A.J.C. BOSE ROAD,  
KOLKATA 700020, INDIA  
CIN: L72200WB1987PLC043375