



## **Chairman's Speech**

AGM 10<sup>th</sup> August, 2021

Ladies & Gentlemen,

Before we start with the meeting, I would like to introduce my colleagues on the Board, Mr. Ramaraj, Mr. S K Jain, and Mrs. Sarita Jain. Mr. Richard Launder is unable to attend this AGM due to some personal reasons. Our Statutory Auditor Mr. D N Agrawal, Partner of Deoki Bijay & Co. is also present here along with Mr. Vijendra Surana, our CFO & Company Secretary, Mrs Nilima Joshi, Partner Chaturvedi & Co. Internal Auditors and Mr Mohan Goenka, Practicing Company Secretary & Scrutinizer for this meeting.

With great pleasure, I welcome you all to the thirty-third Annual General Meeting of your company, RS Software (India) Limited. The Director's Report and the Auditor's Report for the year ending 31<sup>st</sup> March 2021 are already with you and with your kind permission, I take them as read. As you are aware the requirement of sending physical copies of the Notice and Annual Reports has been dispensed off vide the circulars from the Ministry of Corporate affairs and that of SEBI. Now, I take up the formal proceedings of the meeting with your kind permission. As there are no qualifications in the Auditor's Report, I take the Notice convening the meeting and Auditor's Report as read?

I am very pleased to inform you that we have just had our best financial performance in 4 years, as you will see from the results of Q1 of this fiscal, announced to the stock exchanges and available on the company's website. This is attributed to the consistent execution of our cashflow focused financial strategy that I shared with you all at the time of the AGM last year. This is a two-fold strategy that requires on one hand, the move to higher margin revenue, and at the same time deploy strategic cost management initiatives, and this is now evident in the

financial performance of the company. During the fiscal 20-21 your company has saved Rs 220 million in cash as compared to the previous fiscal year, while the management continues to demonstrate large improvements in the operating performance, as is evident from the results for fiscal 21 when compared to the preceding four years. The momentum is in place and we are confident of our continued performance improvement year-on-year. The company is now significantly better enabled and therefore stronger for the long term.

The company's strategic move to build products and platforms at significant investment, has started to generate interest, and is helping to get traction with some powerful opportunities. The big learning during the year is that products typically take long time to generate revenue, and data confirms that this is true for start-ups and established companies alike. Nevertheless, the RS product suite is getting validation in some important markets, which is helping to find appropriate partnerships, while repositioning the company for the long haul. RS Software solutions are now deployed across 12 of top 20 banks in India, besides building the core national payment infrastructure for India. Payments modernization is a focus across the world. We continue to march towards our vision of enabling payments at the speed of thought. In the shortest time period since the launch of UPI, built exclusively by RS Software, we have reengineered and scaled the platform architecture to process billion transactions a day. This feat of engineering is exceptional and is rarely achieved.

With the adoption acceleration comes the dangers of fraud and risk. Ecommerce is growing rapidly, and China already has more retail sales coming from digital channels, as compared to brick and mortar. According to Mckinsey, digital growth during Covid-19 has happened at a pace which would have taken 5 years to happen. No wonder that Ecommerce/Mcommerce brands have new challenges to deal with, and i.e. Payment fraud. RS IntelliEdge – Central™ has been implemented for the National Payments Corporation of India (NPCI) as an Enterprise Fraud Risk Management (EFRM) and is now live for all digital payment channels of India, processing more than 75% of India's digital payment landscape. It processed 188+ million transactions each day in March 2021. EFRM sustained peak TPS of 5200 for 2-3 weeks in

production pan- India without a single outage while keeping SLA at 99.995% for the last 24 months.

RS Software became the first company globally to build multi-rail payment system during the fiscal 2020-21 when it achieved a single interface for India's IMPS and AEPS systems, with UPI. This will result in large increase in productivity in operations and costs for India's 1200+ banks who serve a billion+ population. This is the best testimony to our mission of transforming the lives of humanity through scalable and easy to use payment systems. While global leaders have on their roadmap the creation of multi-rail capability, RS Software has already executed it successfully.

We now have experience of building digital payments in both developed and developing economies, giving us strong foundation to go after global opportunities.

I would like to draw your attention to what I said in the Chairman's Overview in the Annual Report, as to what fiscal 21 has done for us.

- Improved the quality of our revenue. Identified strategic partnerships to reach global markets.
- Consistent execution of our strategy has resulted in us winning the opportunities for payments modernisation, and we are responding to more. The payments modernisation is estimated at \$ 350 billion during the next 5 years, and will continue to be a multi-decade opportunity, as stated by CEOs of major payment networks like Mastercard and Visa.
- Learning to work from remote and face all the challenges posed by Covid-19 impact.
- Accept that success is slow during turnaround, especially when impacted by unforeseen events.
- We most definitely recognize the importance of cash to sustain long cycles of sales, as is evident from our cashflow focused strategy. Our goal is to ensure that we continue to execute our financial strategy effectively and build a path for our long-haul success.

Wins are strengthening our future, reinforcing that optimism, is the faith that leads to achievements.

RS Software is at the right place at the right time. We have a four-pronged strategy which has its deep foundation in the learning from the past 15 months, particularly during the Covid-19 impacted time. The success of working with partnerships in the last fiscal year is what forms the major foundation of our go-to-market for our products and platforms. Finally, I would like to share that the foundation for success of RS Software is indeed deep, and the strength we draw from our core values is what has made our corporate journey of 30 years to be exciting, promising, and always full of hope.

A quote from Khalil Gibran has often inspired me during the journey of RS Software. “The optimist sees the rose and not its thorns. The pessimist stares at the thorns, oblivious to the rose.”

My fellow shareholders, I take this opportunity to offer my sincere thanks to the Members of the Board who guide the company with their wise counsel, the management team that continues to put in significant efforts, and of course every member of the RS family who is working with total commitment to achieve the growing success of the company. The company will continue its commitment to corporate social responsibilities. I would like to thank you for your gracious presence at this meeting and your continued faith and support that you have tendered towards the company.

On behalf of the management and employees of your company, I assure you that we will put our best efforts in transforming and scaling the company to new heights of success.

Thanking You,

Chairman

R S Software (India) Limited