



At the heart
of the global
**digital payments
revolution**



How RS Software is strengthening its business model
around digital payments

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 realised, 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 materialise, 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 forwardlooking statements, whether as a result of new information, future events or otherwise.

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At the heart of the global digital payments revolution.

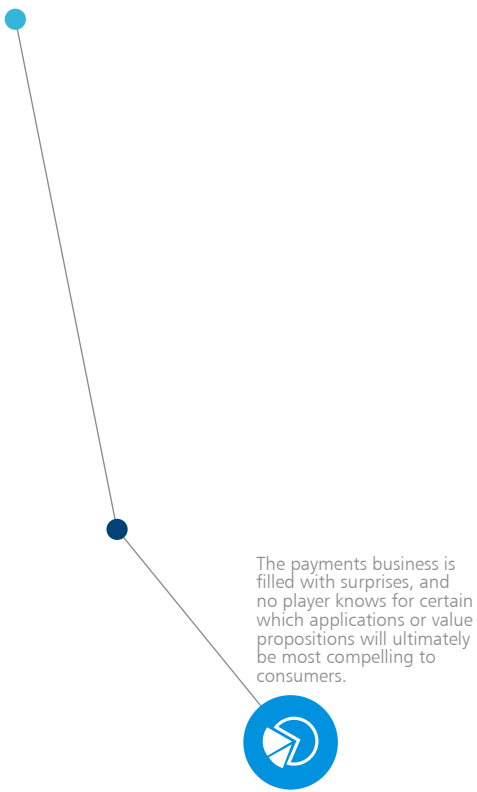
RS Software is working with the core digital payment system, building deep competencies in the areas of authorisation, clearing and settling electronic payment and addressing attractive global opportunities.

RS Software recognises that the unfolding of this opportunity represents a transition of landmark proportion in the history of humankind.

The rich potential of RS Software's business is reflected in the Company's burgeoning financials in 2014-15. Profit after tax grew 25.76% to ₹673.87 million and EBIDTA margin strengthened by 552 bps to 27.06% during the year under review.

The Chairman's overview

The payments industry transformation has gained fever pitch in response to the developments transpiring in the digital commerce space.



The payments business is filled with surprises, and no player knows for certain which applications or value propositions will ultimately be most compelling to consumers.

Consequently, the investor community has demanded the building of the necessary infrastructure to enable this change. By 2020, consumer experience and expectations – and the role of technology in meeting these expectations – will account for 70% of what shapes the evolution of the payments industry and the needs and expectations of commercial and corporate customers the remaining 30%.

The winners emerging in this paradigm shift might not be its strongest or most tech-savvy players, but those who respond best to industry change and market feedback. The payments business is filled with surprises, and no player (regardless of size) knows for certain which applications or value propositions will ultimately be most compelling to consumers. For example, today's consumers show an increasing preference for peer-to-peer money transfer services – such as Barclays' Pingit and Commonwealth Bank's Kaching – as popular balance-checking mechanisms. Both traditional and non-traditional players will do well to recognise the likelihood of unpredictable shifts in consumer behaviour, and to prepare backup plans that are robust and farsighted.

The well-defined and well-bounded payments industry is rapidly becoming history. Instead, it is becoming part of a much wider commerce ecosystem that comprises a mix of



well-established players and new entrants, each flexing unique strengths as they pursue what is fast becoming the holy grail of online commerce.

RS Software is committed to make the most of this evolution in the digital payments segment, just as it continues to build and enhance the electronic payment infrastructure for the brick and mortar retail space. The latter has emerged as a significant 'asset' for the Company on the back of its 20+ years of sectoral experience. This will continue to be the 'cash cow' for the Company. The goal is to take this to the next level with the aid of best-in-class processors and networks globally, including building and enhancing the national payments infrastructure.

RS Software has taken the decision to reorient its business strategy to progress from a pure-play outsourcer to a hybrid recurring product/services revenue generator.

The payments industry has historically operated relatively in isolation within the ecosystem of bank and bank-related issuers, acquirers, processors and networks. These players not only built the industry, they were also instrumental in developing the standards and rules guiding participation. However, the old order is rapidly fading and a new one is taking its place. The question: how will this sea change reshape the established industry structure?

The players in the payments value chain are trying to gain a stronger foothold. They are coming to terms with the fact that their industry is part of a far broader commerce ecosystem. They are no longer insulated from the forces reshaping commerce in the areas of regulation, technology, retail and consumer behaviour.

While such momentous change may sound like a major challenge for industry incumbents, it also presents substantial opportunities. According to Mckinsey, global payments industry revenues in 2011 stood at approximately \$900 billion. The integration of emerging factors, including offer delivery, personalised marketing, and related business models, could increase those revenues

nearly seven-fold. As commerce and payments business models converge more rapidly, a relevant digital payments infrastructure needs to be built.

The ubiquity of smartphones has placed unprecedented computing power at the fingertips of millions of consumers. Today's smartphones function not only as communication devices, but as search tools, a platform for merchant offers, price comparison mechanisms, peer-to-peer money transfer systems, payments devices, gaming consoles and social networking tools. Meanwhile, mobile wallets are enabling merchants and manufacturers to market their wares in more efficient and relevant ways, with m-commerce as a percentage of e-commerce alone increasing from 11% in 2012 to 19% in 2014. Furthermore, m-commerce as percentage of total retail, which was a meagre 0.6% in 2012, has now increased to 1.6%. These are early days and companies choosing to focus here have their work cut out for themselves. It is not surprising that smart money is chasing such initiatives globally, including India.

Networks and acquirers are exposing the payments functions as secured application program interfaces, thereby breaking down entry barriers for new players. Aggregators and technology providers are developing digital payment platforms using these application program interfaces. They are adding value by integrating the commercial and the payment-related aspects and some are even integrating social media, analytics and risk management services and providing the entire service as white-labeled mobile application for initiating payments.

The global digital payments sector is expected to treble in just the next four years, catalysed not merely by a linear increase in transaction volumes but also through disruptive applications. What is evident is that what we have seen until now has only been a scratching of the surface; as the e-commerce revolution extends across continents and as people recognise the convenience of buying things without moving out, e-commerce volumes could grow 20-25-fold over the coming decade.

Despite spending the first decade of its existence as a quality software services provider, it selected to focus exclusively on the digital payments space from 2005 onwards.



So how does this transformation affect the digital payments ecosystem?

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

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 that are 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 message is clear: the digital payment revolution is not merely facilitating e-commerce; it is restructuring the global economy.

So what will companies need to succeed in this exciting environment?

Corporates will need to tactically assess where the payments revolution is headed; they will need entrenched experience and proven competencies to provide value-added products and services.

RS Software possesses these distinctive credentials.

Despite spending the first decade of its existence as a quality software services provider, it selected to focus exclusively on the digital payments space from 2005 onwards. The Company has thereafter worked extensively with the largest digital payments hub in the world, specialising in core systems.

Over time, the rich learnings from the engagement resulted in the creation of the RS School of Payments™ and the Payments Lab within RS Software, graduating the Company from just another digital payments service provider into a centre of niche excellence.

The time has come for the Company to capitalise on opportunities unleashed by the vast transformation in the digital payments space in a strategic manner. The Company is investing increasingly in testing, risk / fraud management and analytic competencies; facilitating product platforms and, in so doing, is



At RS Software, we are optimistic of our prospects as we prepare the Company to define and achieve its vision 2025.

evolving into a hybrid model offering a bouquet of services and products.

The Company works extensively with payment network companies, who are present at the core of electronic payment processes. These networks drive much of the innovation and cutting-edge development that transforms the way we transact in a virtual world. A presence at the cutting-edge of change benefits RS Software in two ways: we are able to appraise the direction in which modern payment networks and technologies are headed and are able to adapt our technology response; we are able to provide services with speed around these inflection points, which evolves us into a preferred service provider.

The Company derives the principal portion of its revenues from one of the largest payment network companies; it has been doing so for years. RS Software is 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.

RS Software is not just another software company servicing the downstream needs of customers. The Company is engaged in creating and strengthening the digital payments infrastructure that makes it possible for millions of digital payment transactions to be conducted across the world every single minute. Subsequently, the Company is not just addressing peripheral opportunities arising from the business; it has carved itself a growing place at the heart of the global digital payments revolution.

At RS Software, we are optimistic of our prospects as we prepare the Company to define and achieve its vision by 2025.

The principal message that I wish to leave with our shareholders is that RS Software is committed to growing its presence in the electronic payments space, capitalising on the global transition from physical to digital payments, strengthening its business to capture every emerging opportunity and enhancing value for its shareholders.

Raj Jain
Chairman

The Company works extensively with payment network companies, who are present at the core of electronic payment processes.



There are just two points that we wish to make in this report.

One, the global payments ecosystem is undergoing a dramatic transition.

Two, RS Software's business model lies at the very heart of this transition.

Making it an exciting proxy of an evolving industry space. A dynamic global payments player.
An integrated solutions provider.

RS Software delivers a comprehensive range of services developed and customised for facilitating efficient financial intermediation.



Overview

Incorporated in 1991 with an exclusive focus on the payments industry, RS Software has been providing best-in-class payment gateway services from its software development centre based out of Kolkata (India).

Over the last two decades, the Company aggregated a 929-member team and carved out a reputation in addressing the growing needs of some of the world's leading payment brands.

The Company is a respected software-driven payment services provider listed on the National and Bombay Stock Exchanges. The Company enjoyed a market capitalisation of ₹438.84 crore as on 31st March 2015.

The Company has an operational presence across four continents and global offices in the US, UK and Singapore.

Offerings

RS Software delivers a comprehensive range of services developed and customised for facilitating efficient financial intermediation.

Custom application development

RS Software offers application lifecycle management across platforms – cloud-based, e-commerce and m-commerce – using a vast array of cutting-

edge tools and methodologies. The Company's entrenched expertise allows it to ride the growth emanating from increasing penetration and emergence of new forms of payment and settlement systems.

Quality assurance and testing

RS Software provides standardised, specialised and automated offerings including integration, system, regression, performance, smoke, stress, security and certification testing. The Company works extensively with clients to decode their complex transaction blueprints and provide tested applications that enhance their payment infrastructure integrity.

Application maintenance and support

RS Software offers comprehensive application lifecycle management services that maintain and support existing applications and new functionalities. It delivers application and platform migration, reverse engineering, performance tuning and 24x7 production and help desk support.

Strategic consulting

RS Software leverages its experience in the payments industry, helping clients align their business with evolving technologies. It conducts gap analyses, builds remediation plans and develops roadmaps to augment returns on investments.

RS Software enjoys a perceptible presence across the digital payments value chain.

RS Software serves the needs of the leading organisations in the payments industry. In-depth expertise, all-inclusive services and relentless innovation have been the building blocks of its growth.

Making it an attractive proxy of this rapidly emerging space the world over.



Switching and authorisation

The recent years have seen a proliferation in the use of various payment instruments and growing regulatory requirements have complicated transaction processes.

Challenge: Switching and authorising transactions has become increasingly complex with a corresponding growth in the quantum of transactions, payment types, devices used and regulations enforced.

Result: RS Software makes it possible for leading client brands to address this growing volume while reducing downtime complemented by availability, scalability and security; its solutions have grown their capability from a throughput of 500 transactions per second to more than 20,000 transactions per second.

Clearing and settlement

Emerging markets, cross-border activity, regulatory changes and growth in payment types have made clearing and settlement increasingly complex.

RS Software makes it possible for leading client brands to address this growing volume while reducing downtime.

Challenge: A greater need for clearing and settlement services has increased rationalisation, integration and consolidation. New strategies now need to be developed to mitigate risks and reduce the costs of clearing and settlement operations.

Result: RS Software provides customised solutions in the area of clearing and settlement systems, capable of handling large transactions running into billions of dollars annually.

Risk and fraud

Modern data formats, online information sharing and increased access points have increased systemic vulnerability.

Challenge: Large, well-organised criminal enterprises try to exploit these chinks in the armour to commit fraud while leaving little evidence behind. To combat these criminals, payment organisations are incorporating sophisticated fraud prevention and detection solutions as a part of their day-to-day operations.

Result: RS Software works with leading global payment brands, developing empirical pattern-matching algorithms to assess threats based on past transactions.

Dispute and chargeback

The growth of the electronic payments industry and increase in online sales has increased disputes and chargebacks, requiring a corresponding integration with multiple cross-border organisations.

Challenges: The processing of disputes and chargebacks involves integration with multiple systems across organisations in different countries. How issuers and acquirers address these exceptions has a direct impact on the loyalty of customers and merchants.

Result: RS Software possesses more than a decade's experience in dispute and chargeback solutions. RS Software delivers end-to-end solutions (testing, enhancement and support) that keep clients abreast of the dynamic payments landscape.

Merchant management

The globalisation of the payments industry, growth in electronic payment methods and increasing regulatory complexity are placing a pressure on acquirers to offer competitive terms to attract merchants while providing a comprehensive range of services.

Challenge: These acquirers must be able to implement and manage merchant agreements with a wide range of pricing, service and settlement options while effectively and efficiently managing their operational costs.

Result: RS Software has been providing acquirers for the past two decades with a comprehensive set of merchant management solutions that help them reduce complexity, lower cost and compete successfully in the marketplace.

Business analytics and tools

Increasing e-transactions have increased data on consumer behaviour, online supply and demand.

Challenge: The harvesting of information from huge databases requires expertise in data quality, transformation, enrichment and mining that can be applied in transactional and macro-analytic spaces.

Result: RS Software has developed deep capabilities in four key areas of data analysis: strategy, technology, governance, and analytics. RS Software offers data analytic services comprising assessment, consulting, establishing migration methodologies, implementing, testing and production support.

RS Software has developed deep capabilities in four key areas of data analysis: strategy, technology, governance, and analytics.

The last two decades have completely redefined how buyers and sellers transact in the digital landscape.

A short time after a new technology has disrupted the market, comes another.

Each of these technologies needs to be embraced into everyday life.

In such a context, merchants, acquirers and issuers need the services of a specialist.

Someone who protects their businesses on the one hand and makes it possible to capitalise on incipient opportunities on the other.

RS Software is precisely that kind of specialist.



Business focus

Ethical foundation: Aims to emerge as a leading global technology solutions provider to the electronic payments industry leveraging core values like honesty, integrity, mutual respect and individual leadership.

Solutions-oriented: Engages with the world's leading payment brands and addresses the entire e-retail stakeholder community.

Domain focus

Sectoral expertise: Delivers customised e-payment solutions for the world's leading financial institutions, payments networks, processors and software companies.

Market awareness: Keeps up with the changes taking place in the global marketplace and dynamically bolsters its capabilities through its dedicated training centre - RS School of Payments™.

People focus

Balanced competence: Combines youth with experience, ensuring an average senior management tenure of more than six years even as its average employee age is not more than 33 years

Manpower proficiency: Boasts of having over 8% of the workforce with postgraduate degrees with strong industry knowhow, one of the largest such repositories globally.

Operation focus

Quality conscious: Maintains the highest standards in terms of compliance, security and quality with corresponding certifications (ISO 9001:2008, SEI-PCMM Level-III and ISO 27001:2013).

Technological backbone: Complies with ISO27001:2013 norms, marked by 24x7availability and 99.99% uptime.

RS Software engages with the world's leading payment brands and addresses the entire e-retail stakeholder community.

USD 1.5 trillion

Revenues from the worldwide e-commerce industry in 2014



Single domain focus with a boutique of innovative solutions



Areas of RS Software's specialisation in line with technology evolution



23



Years of RS Software's industry presence with an exclusive digital payments focus



20

Years of RS Software's experience in working with the world's largest payment network company

5 number of years with zero-debt status



712 (In trillion dollars) worth of non-cash transactions estimated by 2022
(Source: BCG)



41%

Profitability growth (CAGR) over the past five years leading to 2014-15

146.83

Cash balance (₹ crore) as on March 31, 2015

Financial strength

18%

Five-year revenue CAGR

48%

Five-year profit before tax CAGR

The payments industry transformation has gained fever pitch in response to the developments transpiring in the digital commerce space.

Performance

Revenues marginally declined from **₹3,892.03 million** in 2013-14 to **₹3,880.73 million** (3% de-growth in US dollars).

28% growth in profit before tax from **₹774.65 million** in 2013-14 to **₹990.68 million** (26% growth in US dollars).

25.76% growth in profit after tax from **₹535.84 million** in 2013-14 to **₹673.87 million** (23% growth in US dollars).

Rationale

At our Company, the objective is to maximise value through the most robust business strategies. We leveraged long-term value. We shifted significant processes from offshore bases to India. The result: our topline contracted, employee costs diminished and profits increased.

Profitability and productivity

552 bps increase in EBITDA margins from

21.54% in

2013-14 to

27.06%

in 2014-15

106 bps increase in return on equity from

4.18%

in 2013-14 to

5.25%

in 2014-15

Rationale

RS Software deployed nearly 74% of its resources in offshoring, leveraging the benefits of our proprietary engineering expertise and optimised people costs. The coupling of lower operating expenses and higher revenues strengthened margins.

Cash-competiveness

RS Software reinforced liquidity with a cash equivalent balance including receivables of

₹146.83 crore

as on 31st March 2015.

RS Software has been operating as a zero-debt company for five years, with reserves and surplus worth

₹214.97 crore.

Rationale

RS Software's sustainability has been largely derived from its financial foundation, which provides us with enough room for inorganic expansion through mergers and acquisition and, in the process, minimises client attrition.

Dividends

Dividend distribution grew from

₹76.71 million

in 2013-14 to

₹83.38 million

in 2014-15.

Book value increased by 29%

₹137.31 per share

in 2013-14 to

₹177.44 per share

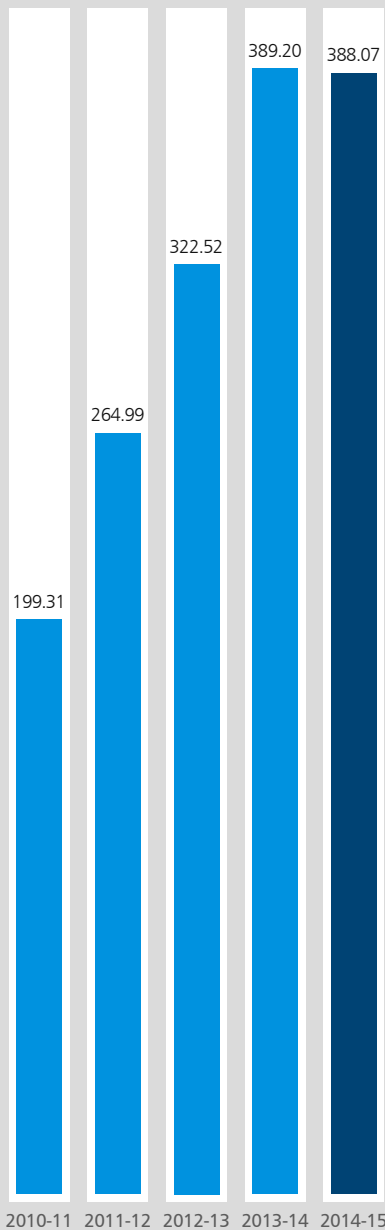
in 2014-15.

Rationale

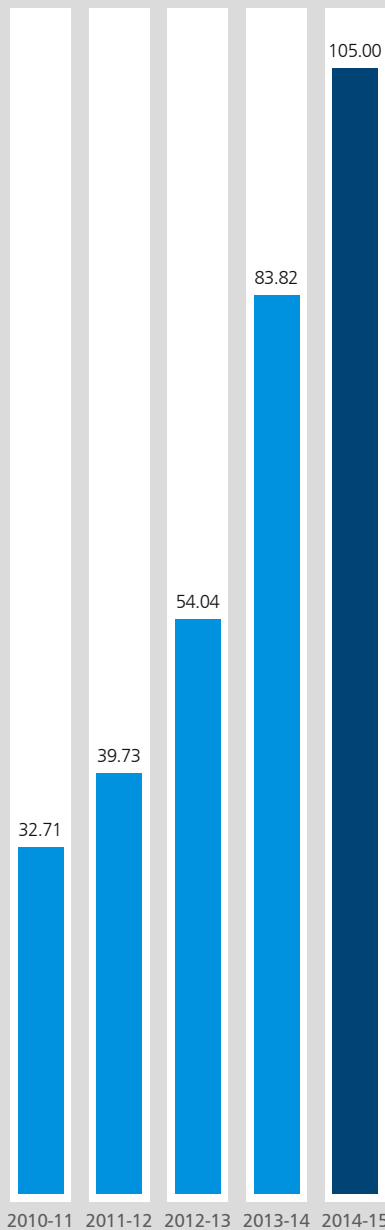
RS Software grew profits at a CAGR of 41% in the five years leading to 2014-15, commensurately rewarding shareholders. During the year, we proposed ₹83.38 million in dividend outflow and ploughed ₹590.49 million back into the business. These were 8.7% and 28.61% higher respectively than those in the previous year.

Performance highlights

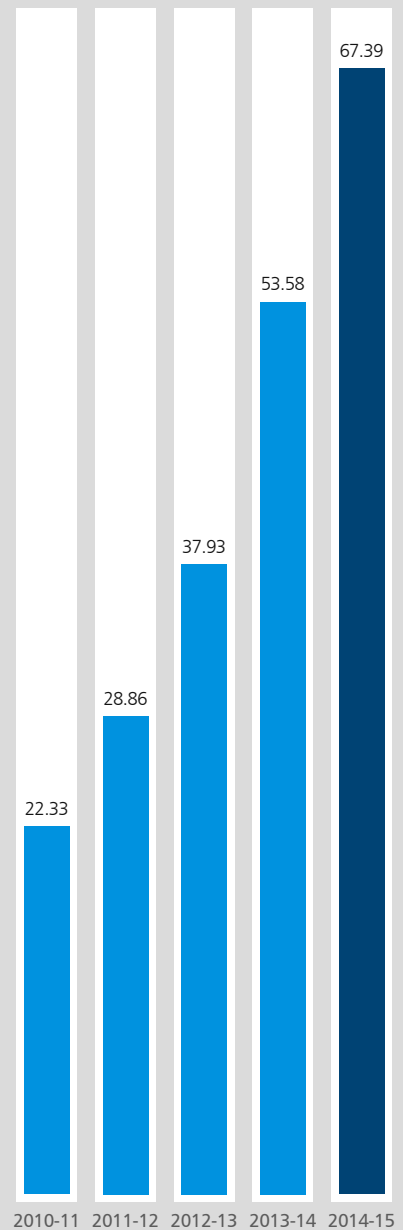
Revenue
(₹ crore)



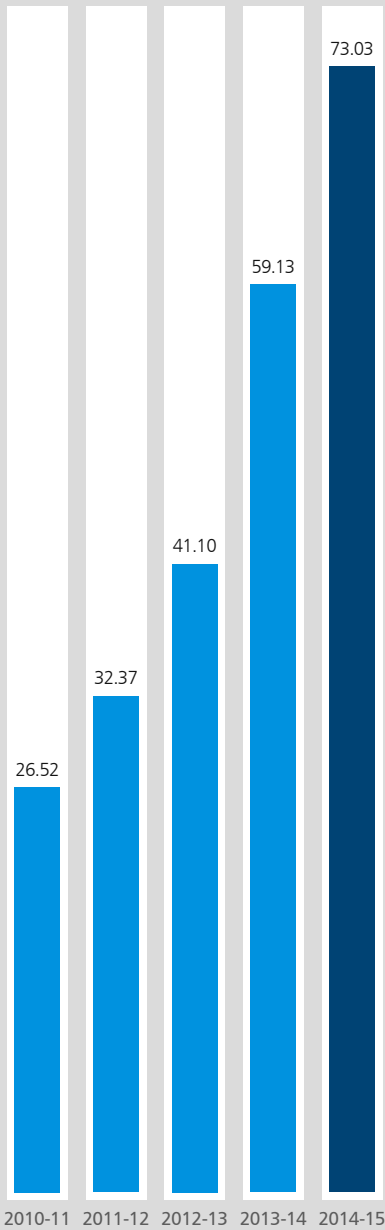
EBIDTA
(₹ crore)



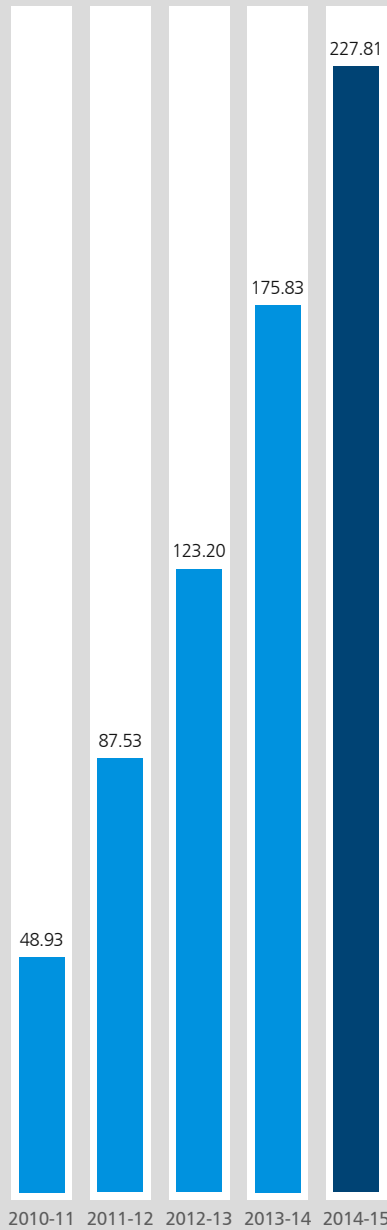
Profit after tax
(₹ crore)



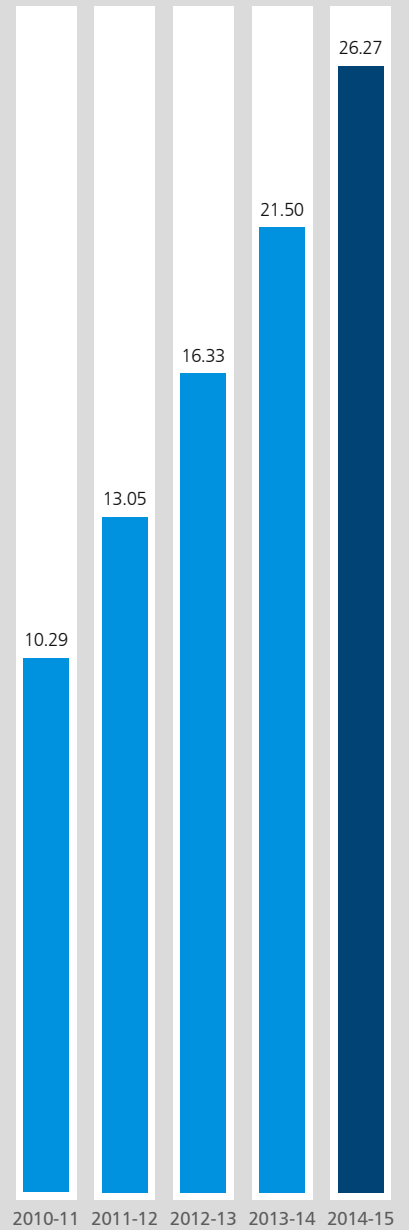
Cash profits (₹ crore)



Net worth (₹ crore)



Earnings per share* (₹)







*EPS is calculated considering face value of ₹5 per share (previous year figures have been recalculated accordingly)

The evolving digital commerce space

Growing sophistication in content, mobile integration, comparison shopping, and the use of reviews is creating new norms for key industry players. Some of these norms have become familiar: media companies are investing in iPad and mobile apps to extend to curated commerce — leveraging consumers’ purchase history to provide personalised product collections and tap new revenue streams.

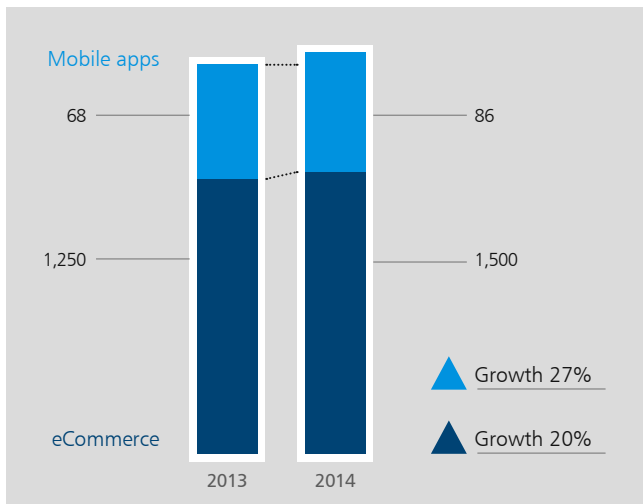
The growth in digital commerce has largely been propelled by four factors:

- Consumer’s demand for access to information about products/services through the entire purchase lifecycle.
- The flexibility to buy a product service from a variety of online/offline commerce routes.
- The convenience to make transactions on-the-go saving consumer’s time and effort.
- The ability to use social media to share these experiences across different networks.

			
Payment using magstrip card & signature PIN	Payment using Chip & PIN	Payment using Mobile	Payment using Digital identity

Global e-commerce and mobile app industry: Flying high

REVENUE GROWING OVER 20 PER CENT
USD billion



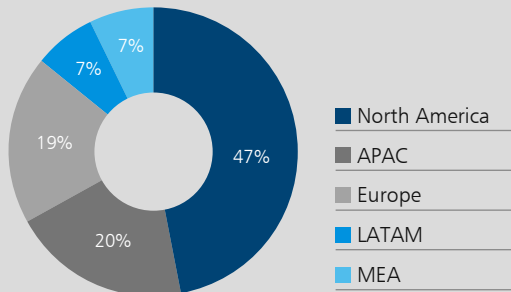
Global e-commerce and mobile apps: A USD 1.5 trillion economy

The global e-commerce and mobile apps industry is experiencing rapid growth in addition to driving technology adoption across the world. With revenues amounting to USD 1.5 trillion in 2014, the worldwide e-commerce industry is growing annually at 20%. While the Americas currently enjoy the biggest share, Asia-Pacific is set to emerge as the biggest market with one-third share by end-2015. The most popular categories remain tours and hotel reservations, airline tickets and reservations, clothing and non-consumable durables and entertainment-related products.

A key global e-commerce driver has been the mobile app industry with revenues pegged at USD 86 billion in 2014, growing at an annual 27%. Once again, the Americas, with a share of nearly 55%, are the largest market even as Asian countries are expected to catch up in terms of app downloads and usage, given that they are also the fastest growing markets in smartphone penetration.

MOBILE APPS

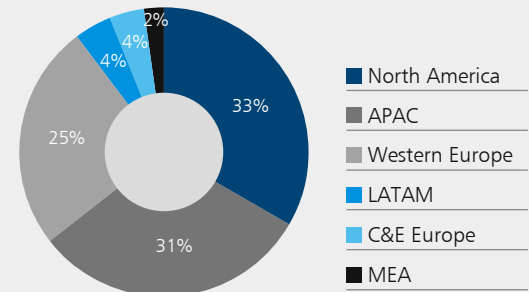
Asia driving app downloads and usage - 2014



Source: eMarketer, Forrester, Gartner, Nielsen, VisionMobile, NAASSCOM

ECOMMERCE

US-main market; APAC driving growth - 2014

**App economy fueling adoption****Growth**

28% CAGR over the last three years to achieve revenues worth USD 86 billion from apps and related products and services.

Positive response

Mobile traffic and sales continue to climb up with providers launching mobile websites and innovative apps in response.

Focus on Asian markets

Developers have directed their attention towards fast-growing Asian markets such as China and India.

eCommerce evolving rapidly**Key drivers**

Growing internet affordability, smartphone adoption, on-the-go interface, innovative payment options.

Top product categories

Tours and hotel reservations, airline tickets and reservations, clothing and accessories, non-consumable durables and entertainment.

Emerging markets gaining adoption

Increasing traction in Latin American and Asia-Pacific nations.

Millennials as highest purchase intenders

Generational mix skewed towards age group between 21-34 years with ~60% of the said group showing a predilection to shop online.

Changing **landscape**

The evolution to digital commerce has propelled traditional manufacturers to depend on the free flow of bits and bytes in a way that's seldom before has been obvious. Some key implementations of digital commerce comprise the following:

E-retailing: Catalysed by Amazon, this has proven to be a multi-channel experience for the buyer and a huge area of technological innovation.

Digital services: These are subscription-based online services such as gaming, dating, video-

streaming (Netflix) and software-as-a-service (SaaS). Recurring payments are common and retailers are seeking secure and innovative models to offer guest checkouts and global recurring payments while mitigating risks and fraud.

E-travel and entertainment (T&E): A facilitator of global interconnectivity through digital airline, sports, movie or concert tickets. This area has a larger risk factor due to cross-border transactions.

Digital goods: iTunes has brought this category to the forefront by offering users the ability to purchase music, videos, reports, and other digital goods. The major innovation in this area is the development of aggregators. Payment aggregators are companies that accept payment on behalf of merchants. The cost of each individual item is minimal; the industry thrives on aggregators to increase the volume of transactions by leveraging economies-of-scale.

Online marketplaces: These platforms converge buyers and sellers globally (like Uber and Airbnb). Factors that need to be taken into account include anti-money laundering, logistics and legalities of cross-border payments in addition to standard payment risks.

Integrated services: This brings multiple elements of digital commerce together, offering unique solutions such as Alibaba-enabled instant loans (for the buyer) through integration with online payments.

As the evolution of digital commerce continues, sellers must adapt or fall behind. While large merchants are likely to make investments, small and medium merchants will need support from digital commerce platform providers. This reality opens immense opportunities for acquirers and payment networks to become primary providers of value-added services.

Market adoption and disruptions

The last two decades have redefined how buyers and sellers connect in the digital landscape. New technologies are continually disrupting this marketplace; these market disruptions become market adoptions as consumers, merchants, payment networks and governments adopt them into their everyday working. Technology advancements are supporting progress towards seamless and frictionless transactions.

One can expect major disruptions in the following areas:

Security	Mobile	Digital commerce platforms	Big data and analytics
<p>The need for seamless commerce in a secure, ubiquitous fashion has catalysed the need for point-to-point tokenization.</p> <p>Currently only 40% of the merchants have equipment to enable EMV and only 20% of those have chosen to adopt point-to-point tokenization.</p>	<p>A mobile device has the capability to become the digital equivalent of an analog payment by having computational power, storage capability and ubiquitous connectivity to online data and GPS services.</p>	<p>Digital commerce platforms enable numerous services across the globe. Stripe, Razorpay and Alipay are examples with each offering easy-to-develop applications and instant on-boarding.</p>	<p>Resource optimisation in real-time under multiple constraints can be achieved using big data techniques.</p>



Outlook

The digital commerce space is growing quickly and is expected to reach \$1.6 trillion by 2018, accounting for 1.5% of the global GDP (*Source: Forrester Report*).

Global markets are likely to experience double-digit growth with developing markets like Latin America and Asia Pacific expected to grow at a CAGR of 19% and 18% till 2018. Western Europe is likely to unleash a host of opportunities as well, with the UK, Germany and Italy being identified as lead regions. The market is forecast to reach €225 billion by 2018.

Following the widespread adoption of connected devices and with over half of e-commerce sales

forecast to take place on mobile and tablet devices by 2018, consumers are increasingly using multiple touch-points to buy products and services. The rapid uptake in new technologies by consumers is transforming consumer behaviour. The rise of mobile commerce means that businesses now need to invest strategies that provide customers with a multichannel experience, be it via mobile, online, in-store or through more traditional channels.

What matters now is putting the customer at the heart of the shopping experience, to provide multiple digital and physical touch points so that shoppers can browse, buy and enjoy purchasing on and offline. To enable this, businesses are looking at a more integrated range of e-commerce services.

As the complexity of global digital commerce solutions increases, there is a real need for businesses to turn to consultants who understand not only a particular technology but all the fine nuances of the payment landscape, which is where RS Software comes in.

The rapid growth of e-commerce and the app economy in India

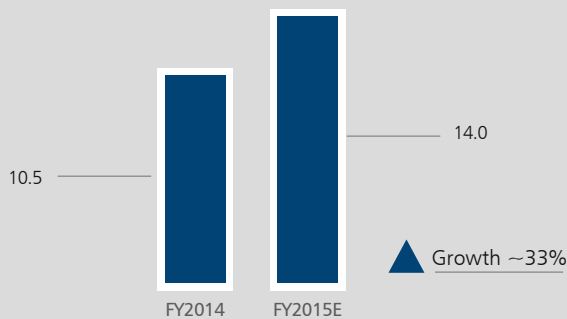
The Indian e-commerce industry is shifting gears and altering lives. Today, the industry accounts for revenues of USD 14 billion, growing at a CAGR >25% since FY2010.

The rapid penetration of mobile devices and availability of and access to affordable internet services are key drivers. India’s mobile penetration is estimated at >75% of its population.

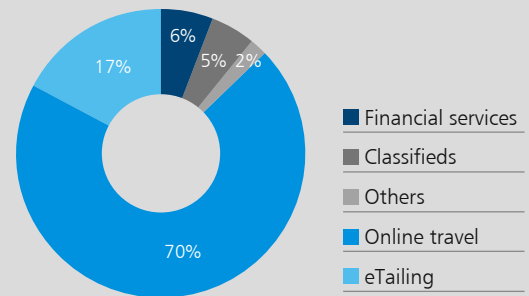
Consequently, consumers expect and are able to access everything via the internet. Strong connectivity has also enabled consumer-centric services now being offered on the internet comprising train/hotel bookings, taxi services and movie tickets booking, among others.

There is increased consolidation and the emergence of different models like marketplaces with pure-play businesses expanding to become one-stop shops. A secure online transaction environment, cash-on-delivery pricing and a strong focus on customer service have enhanced online consumer trust. Better logistics, shorter delivery timelines, zero delivery prices and reverse logistics are seen as a reflection of industry transformation.

FASTEST GROWING DOMESTIC SEGMENT
Ecommerce growth (USD billion)



ETAILING
Fast growing - >6X since FY2010



E-tailing growth

The evolving space

Key trends	Key growth drivers
<ul style="list-style-type: none"> ■ USD 14 billion market; >25% CAGR since FY2010 ■ ~USD 10 billion added in the last five years 	<ul style="list-style-type: none"> ■ Better infrastructure, logistics, broadband- and internet-ready smart devices ■ Mobile apps and payment mechanisms ■ Online travel: Largest segment with 70% market share ■ Movie tickets, travel, hotel and tourism – gaining interest ■ e-tailing: Fastest growing segment; >55% CAGR since FY2010 ■ Apparel, consumer electronics – biggest share

What is driving the growth?

Online retail has evolved from relative obscurity to a game changer in just a few years. It has not only captured a large mind space but also eked out larger chunks of the market.

75%

of the Indian population is mobile-enabled

278

million internet users in India, overtaking US users

3

hours spent by the average Indian on smartphones, ~33% of the time on app usage

USD 14 bn

Indian e-commerce market, growing at 30%

Localisation of internet content: The Google web content search in Hindi has grown 155 per cent in the past year, significantly higher than the growth of content search in English. Hindi content searched through mobile internet grew at a higher 300 per cent during the same period. Traffic growth in other languages, too, was impressive.

Growth in cities beyond metros: About 20 per cent of India's population lives in cities outside metros. Consumer demand is rising rapidly even in small towns and cities. While metros will remain a staple for marketers, widening the rural footprint will be critical for generating incremental volumes.

Growth of m-commerce: The growing reach of online retailers in non-metro cities is being driven by a sharp rise in the use of mobile-enabled internet. A Confederation of Indian Industry report estimates that in the next six years, the number of people accessing the internet through the mobile will be around 600 million. This growth will be spurred by a sharp rise in smartphone adoption, expected to reach 50 per cent penetration by 2020.

Growing usage of debit cards for cashless transactions: There has been a net addition of nearly 140 million debit

cards in India in two years. What is interesting is the usage of debit cards at point of sale terminals grew 86 per cent during the same period. Currently, cash on delivery constitutes nearly 70 per cent of all transactions for online retailers even as online retailers indicate that the usage of cards for online transactions is steadily rising.

Growing investment in logistics and warehouses: Online retailers extended their reach to 12,500-15,000 pin codes out of nearly 100,000 national pin codes. With estimated investment of nearly \$2 billion in logistics and warehouses by 2020, the reach of online retailers to deliver products in remote locations will be virtually complete.

Emergence of payment banks: Reserve Bank of India will issue licenses for creating payment bank hoping payments banks will usher in financial inclusion and provide payments and remittance services to a migrant workforce, low-income households and others. Globally, technology-led platforms on the mobile have demonstrated success in bringing the benefits of banking to large sections of the population in countries such as Kenya and Tanzania, where access to formal banking channels is limited.

Connectivity, funding and consumerisation – on the rise

Connectivity – increasing end-to-end access

- ~278 million internet users, the second largest global base, and ~173 million mobile internet users
- Superior infrastructure in terms of logistics, broadband-and internet-ready devices
- Smartphones and tablets generating a consumer pull in non-metros
- Easy accessibility of payment options via mobile and money wallets; financial systems are going digital

Funding – escalating large-scale investments

- 53 deals worth USD 3.2 billion in 2014 (USD 587 million in 2013). In 2014, industry accumulated funds of ~USD 3 billion from individuals, corporates and private equity firms
- SoftBank, Japan (largest investor in Indian e-commerce), to invest ~ USD 10 billion in India over the next few years
- Big Indian businessmen betting high on the market for example Ratan Tata recently invested in UrbanLadder.com, following Snapdeal and Bluestone

Consumerisation – changing industry dynamics

Advancements in technology enable access to untapped consumer markets

- Innovative payment products (mobile wallets) by non-banking players and mobile banking applications
- Advanced analytics to map consumer shopping behaviour, enabling cross-selling and up-selling
- Omni-channels/multi-channel models; mobile e-commerce solutions

Entry of online giants like Amazon impacting industry dynamics

- Consolidation of existing players (For e.g., Flipkart and Myntra)
- Pure-play businesses expanding to become one-stop-shop for anything and everything for example eBay, Snapdeal
- Improving landscape in terms of better logistics, buyer protection, shorter delivery timelines, COD models, zero delivery prices, reverse logistics

New growth avenues

- While metros continue to lead, Tier-II/Tier-III cities see greater traction

Indian users on an average spend >3 hours on their smartphones with ~33% of the time on several apps. The availability of mobile internet in Tier-II cities is driving e-commerce adoption and a greater use of mobile apps, a substantial growth opportunity.

Start-ups increasingly driving innovation 3,100+ start-ups in India; fastest growing community; fourth largest in the world

With new technologies paving the way for a global digital economy, software product firms are betting high on the convergence of social, mobile, analytics, big data, cloud and the 'Internet of Things'. They are increasingly serving as the foundation for building innovative solutions by leveraging functionalities and as best practices across the traditional software package landscape.

Demand for cognitive technology is leading to a digital push with product lifespans getting shorter; as a step towards digital transformation, large organisations are re-architecting their product development arms to evolve as key digital transformation enablers.

There are signs of increased collaboration between large system integrators and innovative start-ups to bridge the gap towards innovation and serve unmet needs of clients through innovative products and solutions. The last few years have seen more clients added to the portfolio of large-scale service providers due to partnered solutions with ~50 such partnerships established at different levels. There are over 3,100 start-ups in India spread across diverse areas such as digital (social, mobile, analytics, and cloud), high-tech (augmented reality, Internet of Things) and domain (edu-tech, security, adtech) that are identifying whitespaces and delivering domain-specific solutions. The presence of an increasingly active and supportive eco-system comprise incubators, industry mentors, event platforms, VC/PEs and financial institutions who have enabled these firms to hone their products and solutions to a level where they can not only enhance existing solutions, but also help drive new products and offerings.

The products industry will see more M&As to acquire niche capabilities. At the same time, innovation will lead to strategic partnerships/collaborations, helping the industry register low double-digit growth in the next year.

Outlook

2014 was a seminal year for India's e-commerce industry, attracting funding of nearly USD 3 billion.

In addition to bringing consumer technologies to enterprises, the Indian mobile apps industry is helping drive e-commerce through mobile transactions, mobile interfaces, affordable and convenient mobile payment platforms.

The Indian e-commerce market is set to grow at over 30% y-o-y, closing in on the USD 20 billion mark. India's app economy is expected to grow 66% annually. Analysts foresee a dynamic shift with respect to new consumers, change in existing models and rising consolidation. Besides, upcoming areas will evolve into new platforms, payment solutions, omni-channel retail experience and in-app advertising, among others.

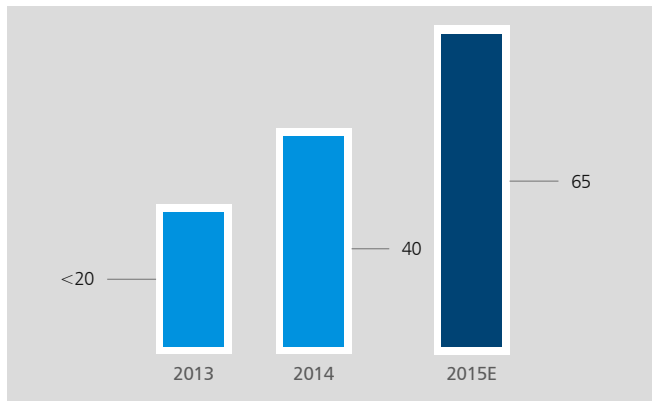
Growing developments in the Indian e-commerce space

- A new entity called payments bank set to be formed within the Indian e-commerce space, the license of which will be issued
- Focus on fostering merchant loyalty, leading to the identification of new growth avenues
- The emergence of a regulatory body in the form of the NPCI

The outlook of online retail remains upbeat

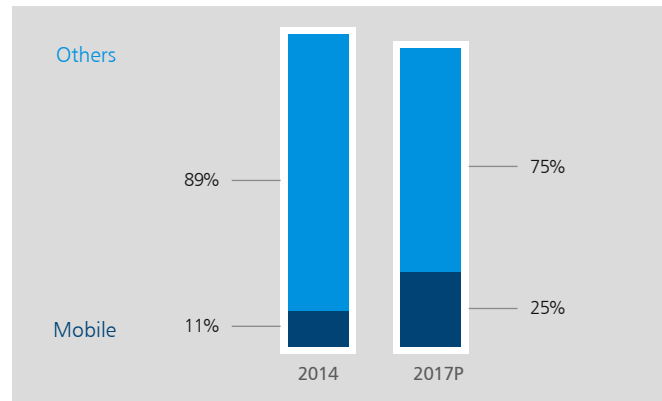
RISE IN ONLINE CONSUMERS – OFFERING SCALABILITY

online buyers (million nos.)



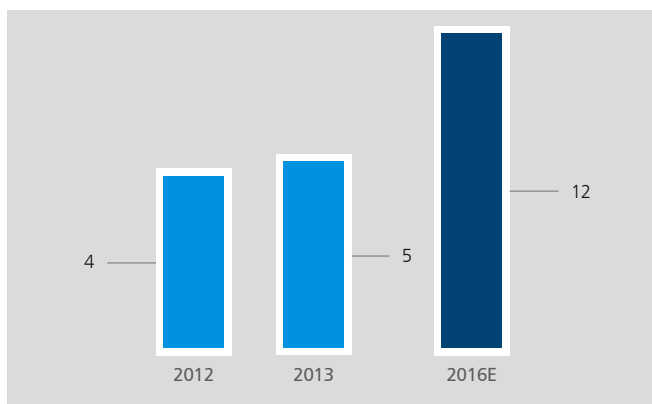
MOBILE INFRASTRUCTURE – HELPING GAIN ADOPTION

eCommerce sales via mobile medium (% share)



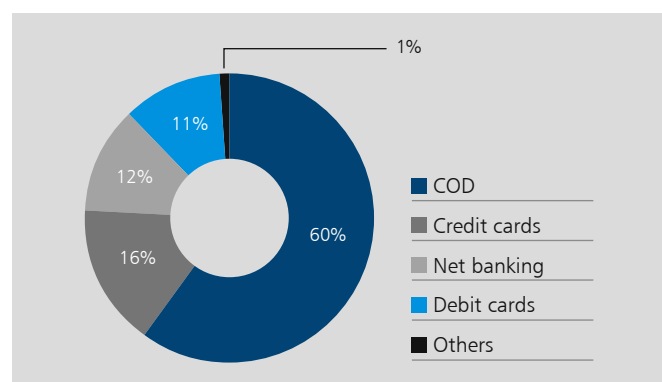
RISE IN ONLINE SHPPERS – GAINING TRUST

orders per month (million nos.)



ONLINE PAYMENT

Easy installments and payment options
number of transactions (% share), 2013





RS Software is
responding
with speed to
emerging
global realities



Digital commerce is being driven by mobile and innovative payment products.

In such a backdrop, speed and security have emerged as the biggest concerns.

The needs of beneficiaries (merchants, acquirers, issuers, financial institutions) are rapidly changing in line with evolving market dynamics.

RS Software helps customers align their payment models and adapt to the changing payments ecosystem.

The Company proactively responds to structural shifts within the payments domain by leveraging its rich domain knowledge.

Responding to change

Solutions for testing

Novel payment instruments, increasing transaction volumes, need for consolidation and restructuring, newly-issued mandates and system migrations are just some of the challenges addressing global payment operations. The globalisation of software development, presence of legacy systems and introduction of a variety of IT strategies has increased the demand for sophisticated solutions and complex testing scenarios to ensure that payment systems can serve their businesses and consumers on a 24x7 basis.

In the trillion dollar IT industry, a 30% share is accounted for by the testing industry, making it a \$300 billion industry. In this business environment, companies invest large amounts in acquiring the right software which can perform the expected functions, overcoming legal, financial or compliance-related problems in the event of under-delivery. There is an urgent need for an unbiased community with distinctive functional, domain and technological knowledge to release error-free software.

Payment providers need partners who understand the payments industry and can address specific testing needs with customised solutions. For this reason the world's largest payments network turned to RS Software for solutions woven around quality assurance and testing.

Addressing needs

RS Software provides an effective foundation for addressing complex testing needs in a dynamic payments environment.

RS Software has been engaged in re-engineering the testing process of a leading payment network service company which was primarily network-based. The Company has now extended to merchants, processes and start-ups. The new start-ups within the segment are acting as disruptors with new offerings but they fall short when it comes to testing. For mature players, frictions like these are unacceptable, leading to a greater need for specialists like RS Software.



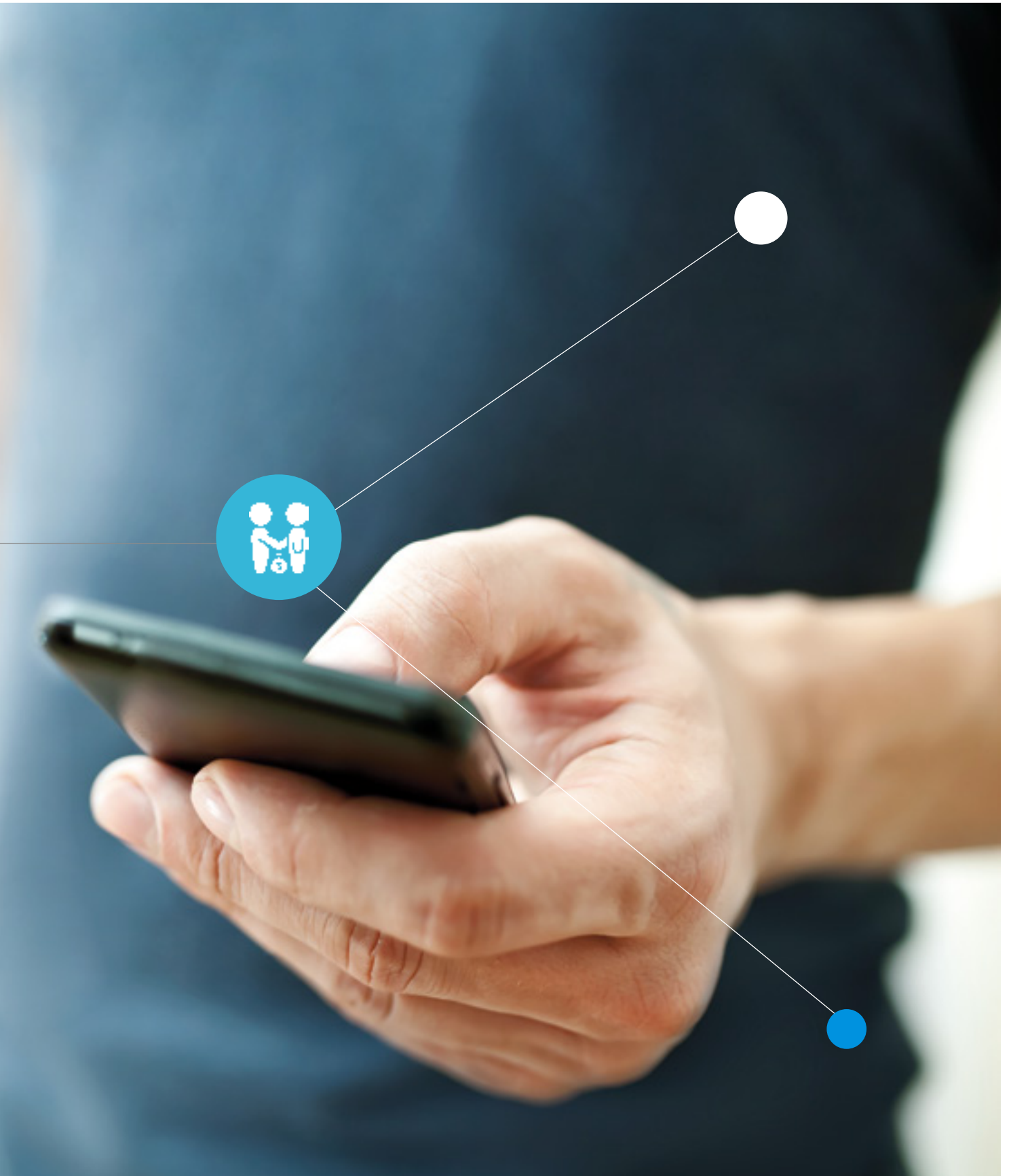
RS Software provides an effective foundation for addressing complex testing needs in a dynamic payments environment.

The Company systematically assesses customer requirements starting with a determination of best-testing strategies for business needs. Critical business areas and priorities are identified and reviewed by RS Software's subject matter experts from the onset. These subject matter experts established processes needed to ensure that testing services address all compliance and certification requirements.

There are several testing challenges in dynamic environments across disparate systems. Special tools are required to automate the testing process. RS Software was only engaged in providing services which constituted the majority of its segment; it has now tied up with test product providers to address emerging opportunities.

The Company possesses domain knowledge to address all channels of testing - from traditional to mobile apps. The Company offers customised payment solutions for API testing.

The Company's Centre of Excellence makes it possible to remain abreast of domain shifts and test software under different circumstances.





The confluence of the payment domain expertise along with the experience of working with leading payments corporations, knowledge management systems and resource skill sets has helped RS Software stay ahead of peers.

Responding to change

Big data analytics

Consumers use the new tools to move dynamically between computer, mobile device and in-store experiences while shopping.

For merchants, these create opportunities to integrate business-to-consumer sales channels and leverage generated data to understand consumer behaviour. To capitalize on this opportunity, merchants need payments solutions that integrate adjacent business services and enable new functionalities that enhance loyalty programs and advertising performance.

RS Software is uniquely positioned to define and implement processes necessary to transform data into a high-volume transaction business.

With quintillion bytes of data generated every single day, one of the priorities for businesses is to mine the valuable and actionable information in this massive data universe to derive a business advantage. The entire world is driven by data and represented in a meaningful manner. Analytics involves collecting, storing, understanding, mining transforming and using the data in an understandable manner.

Global payment processing companies experience increasing transaction volumes and exponential data growth. This understanding of data is critical and consequently warranting the services of an expert.

Addressing needs

RS Software's largest customer possesses one of the largest global data storage systems. This customer needs to ensure that the data is loaded and extracted in a cost-efficient manner. RS Software entered the data entry segment

Mobile, online and social technologies are revolutionising consumer access to information and sparking demand for services that support multichannel commerce, big data analytics, enhanced loyalty programs and targeted advertising.

in 2000, being privy to shifts in data and technology strategies.

RS Software has been working with a leading payment network player for more than two decades. The confluence of the payment domain expertise along with the experience of working with leading payments corporations, knowledge management systems and resource skill sets has helped RS Software stay ahead of peers. The Company possesses data validation and sanitisation capabilities. Over the last four years, the Company invested considerable resources in learning new-age technologies like Hadoop, Talend, HBase, and Spark, among others.

Nearly 15% of the RS Software team enjoys an experience of over eight years in data analytics. The business comprises three parts:

- One, building new technologies to provide real-time solutions.
- Two, coming up with products integrated with the business and a framework customised in line with client needs.
- Three, augmentation of resources to be able to deliver value to customers with speed.

The analytics competence will not only accelerate knowledge development but also grow existing accounts and add customers. The analytics industry segment is expected to encounter a large resource shortfall by 2018, requiring people with the knowledge of applied statistics and business insight.

The result of this focus is that the Company's revenues from analytics have grown 3.8x over the last five years.

Responding to change

Mobile payments

The mobile phone has become a disruptive payments platform for innovation, gradually replacing the use of credit cards.

Some of the recently launched products that possess the potential to disrupt the payments industry comprise P2P payments, mobile wallets, mobile check deposits, pre-loaded cards, digital currencies and smart ATMs, among others.



RS Software is responding to this disruption by servicing needs arising as a result of these changes through its specialised knowledge of the payments space.

In a relatively short period, the ubiquitous mobile phone has become the perfect example of a convergent digital device. The growing use of smartphones to purchase products has permitted a host of companies to offer mobile payment options. Many organisations are considering strategies designed to take advantage of this trend by repositioning their brand and marketing various goods and services in the mobile space.

The impact of disruptive trends such as cloud computing and mobility/analytics has transformed the IT services industry. Delivery and process capabilities which had been the cornerstone of the industry's success are evolving. The adoption of latest trends focused

on changing delivery methodologies of software applications need to converge with the traditional IT services market.

Addressing needs

RS Software has delivered mobile solutions across a variety of operating systems (iOS and Android) for B2C, B2B and fully-integrated, enterprise-only applications. Utilising this experience, RS Software identified and overcame challenges to achieve client goals.

The mobile pay revolution

Mobile payments promise to merge one of the oldest tools of society—money—with one of its newest tools (smartphones). This convergence will improve ease-of-use and security for shoppers carrying wallets bulging with paper and plastic. But more than that, mobile payments represent the latest evolution and expansion



Mobile payments are changing the game

The growth in mobile payments is unleashing opportunities. Mobile pay offers a treasure of information on consumer behaviour and unprecedented direct access to shoppers. Retailers, marketing firms, internet giants and analytics companies that can aggregate and interpret data stand to emerge as winners. Waving a smartphone to pay for purchases at the checkout is just the start of a long-term trend. Based on specific consumer behaviour, GPS and other data points, retailers can reach potential customers directly with tailored offers, rewards and loyalty programmes. Consumers can act on these offers from their mobile devices.

of the global marketplace. They hold the potential to reach places where there are no bank branches or ATMs distributing cash, and where credit and debit cards are not accepted.

The mobile pay potential in a nutshell: The global count of active credit and debit card accounts is 1.3 billion, compared to nearly 7.3 billion active mobile phone accounts, of which some two billion are smartphones.

The nascent mobile payment industry can leverage these existing routes to reach more consumers, giving them access to mobile credit and currency. This could translate into more customers and revenues, enlarging the market for financial services and players.

Even in the Indian context, mobile payments are a big development. The Indian markets have become more attractive and regulations-driven. Regulatory bodies

like the RBI and NPCI are launching several initiatives to transform the mobile payments space in India. This segment is growing at a CAGR of 39per cent.

There has been shift within the segment towards digital payments platform. A digital payments platform on-boards not only the buyer and the seller but provides a platform to offer multi-sided services such as identity services, catalogue services, advertisement services, location services and analytics services. Each of these services may be provisioned by the platform itself or by third party providers. However, even as there is a gap in services offered in the domestic market, RS Software enjoys an edge by providing matching global service standards at par with developed economies.

RS Software has been involved in an understanding of the domestic market to offer solutions matching market needs.

The three sweeping technology changes most relevant to security comprise mobility, cloud and attacks.

Besides, the financial and payments technology market has exploded, with investors throwing millions of dollars at startups building faster, lower-cost payment mechanisms and mobile-focused financial tools.

RS Software, by the virtue of being present at the cutting-edge of change, has taken a strategic view of where modern payment networks and technologies are headed.

The company is able to deploy solutions with speed owing to this deep know-how, evolving into a preferred service provider.

Responding to change

Solution for EMV

The EMV standard was introduced to utilise dynamic authentication and deliver a higher level of security than is provided by the magnetic strip technology deployed in large markets. In addition to superior security, the EMV standard offers greater payment card interoperability across borders.

The rollout of EMV has a significant impact on implementing organisations. Payment types, channels, devices and networks require modifications. Changes must be made to a number of major systems that acquire, route and authorise transactions. There is a need for documenting non-compliance and establishing a plan for complying with stringent norms.

Addressing needs

With the deadline for EMV approaching (effective in the US from October, 2015), leading payments providers are looking for solutions which are faster to market. Hence, organisations are making a beeline for RS Software to help them overcome these challenges. RS Software's EMV offerings have been created for the benefit of merchants, payment networks, acquirers, issuers, ATM processors and other organisations.

■ RS Software helps in formulating gateways, aggregating payments and acquiring processors to identify the areas of non-compliance and provide a roadmap for achieving EMV compliance within stipulated timelines.

■ RS Software helps system integrators who wish for customised applications integrated to EMV devices and facilitate EMV certification for payment processors and card networks.

■ RS Software helps EMV compliance of online payment transactions of customers' customers by ensuring EMV compliance of APIs and SDKs for digital platforms.

With more than two decades of payments industry experience, RS Software capitalises on industry-specific experience to accelerate EMV migration. The Company enjoys an EMV experience with a large client for more than a decade.



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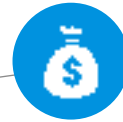


Responding to change

Tokenization

There is a growing demand of tokenization to increase the security of cardholder data with the objective to reduce credit card fraud via exposure.

This technology substitutes sensitive cardholder information with tokens. Since tokens contain no cardholder or card data, they present no value to criminals. In addition, issuers avoid the expense associated with notification, loss reimbursement and legal action. Furthermore, by removing the need to store actual card details, this approach reduces costs and hours associated with compliance requirements.



RS Software has developed a proprietary Tokenization Knowledge Framework (RS-TKF) based on EMV specifications.

RS Software conducts comprehensive analyses of tokenization services keeping in mind parameters like authorisation cycles, clearing and settlement, dispute management and downstream value-added services.

By eliminating the need to store sensitive information, a successful tokenization strategy will enable merchants to shift processes and systems to Cloud, garnering significant advantages in terms of efficiency, costs and flexibility.

For tokenization to be possible, organisations involved in payment processing need to modify their existing systems across merchants, acquirers, processors, token service providers and networks. While implementing tokenization, it would be important to assess the impact on the system's performance, the commitment of vendors to encryption, NIST certification, and the ability to separate token data from production data.

Addressing needs

RS Software conducts comprehensive analyses of tokenization services keeping in mind parameters like authorisation cycles (token extraction, token generation), clearing and settlement, dispute management and downstream value-added services.

The Company's deep tokenization knowledge is derived from an experience in end-to-end transactions, EMV enablement, parsing and routing, authorisation, clearing, settlement and dispute management. RS Software provides additional services for consulting, scoping and requirement definition, development, testing implementation and tokenization support.

RS Software has developed a proprietary Tokenization Knowledge Framework (RS-TKF) based on EMV specifications. The framework assesses the impact to Token Service Provider (TSP) system architectures when accounting for volume, capacity and scalability. The framework also offers case studies for implementing tokenization, ways and means to reduce latency within the token vault and selecting the right token formats. In addition, the framework provides descriptions of message flow and structure, testing scenarios and test cases as well as downstream impact assessment in the realms of dispute resolution, analytics, billing and reporting.



Responding to change

Apple Pay

RS Software has kept abreast of the changing marketplace dynamics, capitalising on growing opportunities. Leveraging its tokenization experience, the Company offered its services for Apple Pay.



RS Software has been a key partner in projects – developing and updating applications to accommodate Apple Pay integration and rollout.

Apple Pay is a mobile payment and digital wallet service that lets consumers make in-store payments using an iPhone 6 and 6+. Apple Pay delivers a more secure payment experience by protecting card credentials and digital transactions via tokenization, EMV-based cryptography and biometric authentication.

The entry of Apple into the digital payments space renewed the technology momentum for payments with digital devices. In addition to the major card networks, more than 700 financial institutions signed to offer their customers and members to Apple Pay. A number of other players who are part of the payment infrastructure are working on projects to support Apple Pay.

Addressing needs

RS Software works with issuers and acquirers by identifying and implementing the changes to core processing

applications resulting from authorisation, risk prediction, fraud detection and dispute resolution. RS Software has been a key partner in projects – developing and updating applications to accommodate Apple Pay integration and rollout. The Company helped integrate the in-app feature into a merchant's e-commerce infrastructure. RS Software provided end-to-end testing across the tokenization value chain from transaction switching to authorisation, acting as an interface between Apple and telecom operators, issuer and the review with the objective to ease the testing process. The Company worked with external parties to optimise the end-user experience. The Company's experience of the Apple Pay technology platform will pave the way to Samsung Pay, which is expected to be launched by October 2015.



Business drivers

Delighting customers

Two decades ago, consumers primarily paid cash for goods and services at establishments they visited. Today, they use a growing number of payment instruments in a global online marketplace that operate on a 24x7 basis.

With the advent of smartphones, tablets, social media, e-wallets and digital currency, the online payments space has evolved tremendously over the past few years. This change is making it imperative for payment providers to find trusted partners to remain competitive in the market.

A trusted partner like RS Software.

Over the years, RS Software has distinguished itself by staying abreast with emerging technologies such as EMV, tokenization and mobile apps, graduating from a service provider into a thought leader. RS Software has helped clients expand their presence in the digital commerce space while countering fraud and

maintaining the highest level of compliance.

RS Software focused on improving its project delivery competence through an in-depth understanding of new-age methodologies and processes.

The RS Global Execution Model™: The Company's Global Execution Model (GEM) embraces a process-oriented approach leading to enhanced economies-of-scale and reduced turnaround time. A robust offshore state-of-the-art back-end platform within India, the GEM ensures that front-end clients are serviced as per schedule – or better. RS GEM™ was designed in response to the dynamics of the payments industry. This exclusive methodology was underpinned by experiential knowledge derived from customer engagement to gain a keen insight into key emerging trends.

RS School of Payments™: Few organisations specialise in payment systems; fewer run educational systems comprising payment courses addressing recruits who

RS Software has distinguished itself by graduating from a service provider into a thought leader.



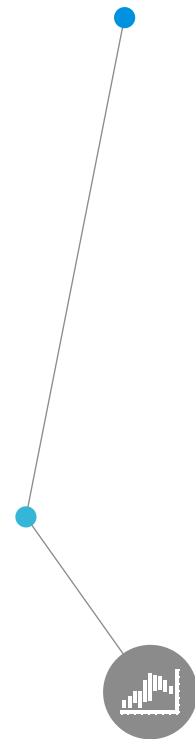
possess technical competence but lack the domain knowledge. The RS School of Payments™ leverages core competence, cutting-edge technologies and strategies specific to the payments industry to maximise productivity and shrink the learning curve. Employees participate in core and advanced curriculum units created by industry veterans and subject matter experts to develop the educational insight necessary to deliver optimal value to clients across the project lifecycle.

RS Payments Lab: The online payment landscape is marked by the coming together of payment gateways, merchant reporting, merchant onboarding, residual management, data warehousing, data analysis and business intelligence. At the RS Payments Lab, a framework has been created around each of these solutions. The accessibility and repeatability of each framework reduces the time-to-market and the associated risks for clients. In-house experts at the RS Payments Lab ensure that these solutions are incorporated into the RS School of Payments™ curriculum. The lab works with new-age technologies like Hadoop and associated toolsets, Clover – a new mobile POS marketplace and deployment on clouds like Azure and Amazon, among others. This proactive initiative empowers RS to propose solutions

that enhance productivity, reduce costs and reinforce quality.

The RS Customer View™: This provides a comprehensive understanding of the client business including target markets, operational scale, management goals, growth objectives and corporate values. RS Software's cross-cultural experience in global sourcing models and knowledge transfer disciplines ensures that both the customer's satisfaction levels and ROI receive a veritable boost. The Company nurtured long-term relationships and established 'Think of Yourself as the Customer' as its operating philosophy while rendering this service.

The RS Project Delivery Framework™: This framework suite represents a coming together of the organisation's residual knowledge across a number of areas and comprises reusable components that help shorten project life-cycle implementation. The Company possesses dedicated suites covering areas like merchant onboarding, virtual terminals, payment gateways, merchant reporting and residual calculations. This helps reduce deployment and implementation time across operational areas. The framework is also used as a training supplement and mechanism to go over proofs-of-concept developed in the RS Payments Lab.



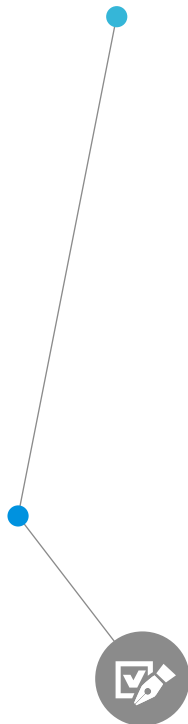
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Business drivers

Quality and benchmarking



RS Software undertakes regular verification initiatives through internal auditors and external audits by certified agencies.

Payment and settlement systems are a vital part of our economic and financial infrastructure, contributing to the overall economic performance and financial stability by facilitating efficient financial intermediation.

The Indian financial system is characterised by the existence of a variety of payment systems and products, reflecting a continuation of traditional paper-based modes of payment along with a significant growth in the range of diverse electronic modes of payments.

RS Software instituted a number of benchmarking measures revolving around the parameters of cost, defects, timeliness and customer value-addition.

Cost-effective: RS Software strengthened its globally-benchmarked process architecture with defined management practices. The Company's competitive pricing was derived from efficient resource utilisation.

Error-free: A standardised mechanism helped review and test deliverables before project hand-over. The Company's robust testing team was backed by an internal audit group to verify procedural adherence.

Mind-to-market: The Company leveraged its domain experience to shrink mind-to-market. It matched customer specifications with compatible solutions.

Value-addition: The Company enhanced customer delight through defect-free, on-time and budgeted delivery. The Company's comprehensive assurance is the result of a procedural discipline, periodically monitored for effectiveness, efficiency and improvement.

Regular audits

RS Software undertakes regular verification initiatives through internal auditors and external audits by certified agencies. Following audit, the feedback is reviewed for corrective action.

- All projects and processes are audited every 45 days.
- The Company is ISO 9001 and ISO 27001-certified, vindicating its robust security practices.
- Compliance and surveillance audits are conducted biannually by DNB and BVQI.
- The tracking mechanism is overseen weekly by the project manager; observations and defects are logged on the system.
- The Company is a payment-focused organisation in which an annual FISAP assessment is conducted by a third party (Deloitte & Haskins) benchmarked with the best data and security practices.

Superior infrastructure

RS Software's security management systems ensured that data, resources and organisational assets remained protected. The Company's investments (dedicated information security management team, high-speed network backbone and router, LAN, firewall and intrusion security) ensured business continuity across all junctures.

Highlights, 2014-15

RS Software ensures constant benchmarking with preset parameters. Apart from an overall health dashboard, a project-wise health index was created, enhancing awareness on improvement areas. This project health index was measured on a scale of 1 to 10 across parameters including status reports, internal audit findings and process facilitations. There was a focus on enhancing knowledge management capabilities as well. The Company created a knowledge management system to record information from projects which can be used



as a ready reference for others.

The Company upgraded data security standards from ISO 27000:2005 to ISO 27000:2013 at par with the latest industry standards. An external audit was also conducted by BVQI to approve the upgradation. The Company also enhanced its information security process and instituted contingency plans.

With competition intensifying, the Company appraised ways to enhance efficiency by mapping the lifecycle of processes and identifying where inefficiencies existed in processes. The Company examined ways to automate and simplify processes, leading to higher yields.

Outlook

The focus for the next fiscal lies in enhancing efficiency and reducing process incompetence. The Company is also working in bringing quantitative measures to business practices, predicting what can go wrong and de-risking the business.

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Business drivers

Sales and marketing strategy

The Company began to engage with new clients, covering a wider spectrum of the payments domain.



Since inception, RS Software has focused exclusively on the payments industry, evolving with changing technologies and regulatory requirements.

Over the last few years, the Company's growth happened concurrently with that of its largest customer. Realising the limiting potential of such a trajectory, the Company invested in several initiatives to branch out and widen its presence.

The Company began to engage with new clients, covering a wider spectrum of the payments domain. Its rich payments experience arising out of its association with a leading payment network enables it to understand business requirements and graduate to the role of a consultant, positioning itself as a long-term business partner (distinct from a one-time technology service provider).

Highlights, 2014-15

During the year under review, there was a change in the underlying strategy of the Company's operations, initiating peripheral services in the payments domain. The Company assumed the role of a consultant, providing training on demand.

A new approach was taken to training with more than 300 individuals from the customer's end trained in different phases, enabling the Company to use these tools to acquire new accounts. The change in strategy also demanded that resources be aligned to emerging needs, a strategy reinforced by the RS School of Payments™.

From a sales and marketing perspective, there was a focus on small and medium-sized companies as the Company realised that bigger companies took longer to convert. The Company looked at diversifying

its customer base with engagements on a smaller scale. There was a growing tendency among start-ups and medium-sized companies to want knowledgeable people to stay on-site and deliver projects. To meet this demand, suitable people were identified who could act as interfaces and experts across their respective operational areas.

The Company is actively looking at India as a market but does not have any sales presence in the country as yet. The Company is in the process of aligning operations with companies who offer complementary products and have an established sales and marketing presence in India. Such collaboration will help provide a lucrative and wide-ranging proposition to customers, creating a win-win situation for both partners.

On the marketing front, the Company leveraged the reach of social media (Twitter

and LinkedIn) and utilised search engine optimisation to boost visibility. The Company attended ETA forums and seminars and organized structured campaigns with differentiated communication targeting three hierarchical client levels. It also enhanced its media presence through published articles.

The Company diversified its sectoral presence by delivering a project on payments related to Apple Pay enablement to the educational sector, marking a transition from traditional offerings to proposition-led solutions.

Outlook

The Company will enhance its cutting-edge proposition to address new customers, strengthening its emphasis on marketing to small and medium-sized firms. The company will also focus on differentiated communication which is more domain-intensive to prospective customers.

RS Software diversified its sectoral presence, marking a transition from traditional offerings to proposition-led solutions.





Business drivers

Growing the **knowledge base**

RS Software is driven by the vision of retaining its position as a preferred employer, reinforced around the motto of 'Think of Yourself as the Customer'.

The Company's competitiveness is driven by a rich human capital pool leading to high productivity, incremental revenues, attractive margins and sustainable profits.

Over the years, RS Software (926 members as on 31st March 2015) strengthened its domain knowledge reflected in its ability to develop and process error-free transactions leading to customer value-accretion. The Company's workforce is propelled by an entrepreneurial mindset and willingness to embrace challenges.

Highlights, 2014-15

Recruitment: RS Software recruits resources using multiple channels like campus visits for freshers and lateral recruitments through consultants, referrals and job portals. The company focused on maintaining a balanced

talent pool comprising experience and fresh talent.

During the year, the Company corrected its grade mix which was high on experienced senior level people by recruiting younger lower-resource costs. A keen emphasis was laid on these resources to match their performance and delivery to in-house standards.

The Company also took a step forward by tying with training institutes to enhance productivity. It recruited interns in the last semesters of their final college year. These interns were trained in payments technology for six months and were paid a stipend with standout performers invited to join the RS team.

Training: The Company widened its portfolio of services, demanding adequate preparation as per the latest developments. This led to enhanced focus on training in the digital payments platform as well as new domains like EMV and tokenization.

The Company's workforce is propelled by an entrepreneurial mindset and willingness to embrace challenges.



Over the next fiscal, the Company expects to grow its presence on the issuers' side; resources were built in the area of card management services. A training calendar was chalked quarterly, updated on the basis of emerging needs. The Company mandated a minimum training of 60 person-hours per year across soft skills, domain knowledge and technical skills, depending on project needs and individual capabilities. The learning and development team worked closely with the business development and sales and marketing teams to ensure that resources were attractively placed to address the prevalent opportunities.

Performance management: The Company streamlined the process of setting goals, making it more quantifiable across job roles. Goal-setting and appraisal were segregated to enhance focus on each exercise. Training was imparted in line with feedback and setting appropriate goals.

Retention and motivation: The Company witnessed an attrition of 25.56% (against 11.64% in the previous year) owing to a

shifting to an offshore model and reduction in on-site positions. The Company improved career-pathing by providing engineers with a greater insight into domain knowledge.

Enhanced communication: There was an urgent need to improve communications between offshore project managers and on-site teams. Consequently, open house sessions were conducted in the US, where employees were updated on the Company's performance and prospects. A dedicated HR team was appointed in an offsite US location, which allowed employees to engage on a bi-weekly basis and resolve queries.

Outlook

The Company will sustain the developments started in 2014-15 and implement them more meticulously across locations. The focus will be on improving employee morale and engagement. The Company has planned several team-building exercises and initiatives to enhance communication within offshore and onshore locations.

RS Software mandated a minimum training of 60 person-hours per year across soft skills, domain knowledge and technical skills, depending on project needs and individual capabilities.

377.4

Cumulative industry experience among senior members (person years)

68.35%

Employees with over three years of experience in the Company

21,840+

Cumulative training hours

33

Average employee age

** All figures are for the year 2014-15*

Managing **business risks**

RS Software has kept abreast of the changing marketplace dynamics, capitalising on growing opportunities. Leveraging its tokenization experience, the Company offered its services for Apple Pay.



An overt dependence on the payments sector can affect growth in the event of a decline in this vertical.

The electronic payments system is perceived as an enduring format which is only at a nascent growth stage. Much of the growth is being derived from aggressive plans of downstream of digital commerce players. This growth is expected to be catalysed by growing internet connectivity, multi-locational commerce and increasing smartphone penetration.

The technology trends are now translating into consumer trends, supported by the new generation's eagerness to pay anytime and anywhere.

RS Software has been engaged in the high fixed cost payments infrastructure for over two decades. The Company will continue to leverage this infrastructure to expand its reach.



An excessive dependence on a single large client might prove risky.

The Company has taken planned steps to diversify its revenue sources away from its dominant client. It has now accelerated this effort by changing its strategic growth plan to move to a hybrid outsourcing model with a focus on products and platforms in addition to services offerings. This strategy enables the Company to capitalise on the opportunities as the world transitions to digital commerce and digital payments. This transition is impregnated with challenges and opportunities which bring potential volatility with it. Fortunately, the Company with its 20+ years of experience has demonstrated success in navigating volatility and achieving managed transition to strengthen its long-term foundation. The Company is committed to use this opportunity to diversify its business away from its dominant client and expand its reach to geographies beyond North America.



**Attrition in a
knowledge-driven
space can affect
competitiveness.**

RS Software provides an invigorating workplace where employees are adequately empowered in decision-making, enhancing their sense of involvement. The Company conducts ongoing training drills that enhance knowledge and growth opportunities.

RS Software invested in ongoing skill replenishment drills through the RS School of Payments™ and the RS Payments Lab. The Company created a knowledge management system as an information repository which can be used as a ready reference by others.



**Growing
competition
can affect
profitability.**

RS Software is among the few global companies to have worked exclusively within the area of core payment systems for more than two decades. This exclusive focus on payments at the organisational level accelerates proactive investments to help customers achieve success.

RS Software is a domain specialist investing upfront to reach out to a larger clientele and enhancing its investments in the RS School of Payments™ and the RS Payments Lab, the twin pillars of its foundation to provide the best customer value. The Company's strategy in the medium to long-term is to outperform sectoral profitability and emerge as a preferred investment choice.

The Company demonstrated such a track record across five years, with profitability reporting a CAGR of 41% during the period.

Board of Directors

01



02



03



04



05



01 - RAJ JAIN
Chairman and Managing
Director

02 - R. RAMARAJ
Director

03 - SHITAL JAIN
Director

04 - RICHARD LAUNDER
Director

05 - SARITA JAIN
Director

Raj Jain, Chairman and Managing Director

As Chairman and Managing Director of RS Software, Raj Jain is responsible for providing the leadership required to realize our vision of being the global leader in providing technology solutions to the electronic payments industry. In 1989, Mr. Jain left his job as a software systems analyst in Los Angeles, California and returned to India where he founded R. S. Software (India) Limited with the goal of providing quality software services to international markets. At the time, the prospects for the software market in India were less than ideal but Mr. Jain's entrepreneurial talents and leadership traits established him as a pioneer in a field that would soon blossom into a multi-billion dollar industry.

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 remains an active member of NASSCOM and serves as a member of their Chairmen Emeritus. He also has been a member of TIE (The IndUS Entrepreneurs) and YPO (Young Presidents Organization).

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 and has worked in Hong Kong, Taiwan, the Philippines, Thailand, and Canada. Mr. Jain remains active in the financial services industry. 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 percent 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, the Middle East and Africa for one of the largest software companies in the payments industry, Mr. Launder generated more than \$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 Masters degree in English Literature and an undergraduate degree in Mass Communication.

Key Executives

01



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09



01 - RAJ JAIN
Chairman and Managing Director

02 - ASHOK GAUR
Vice President, Operations and
Productivity Enhancement

03 - PRASANTA CHAKRABORTY
Vice President Corporate

04 - VIJENDRA SURANA
CFO and Company Secretary

05 - SUMIT MISRA
General Manager

06 - ANIRUDDHA RAI CHAUDHURI
General Manager, Quality and
Benchmarking

07 - SANJAY GUHA
Deputy General Manager

08 - KALLOL GHOSH
Deputy General Manager

09 - INDRANI ROYCHOWDHURY
Senior Manager

RAJ JAIN

CHAIRMAN AND MANAGING DIRECTOR

Raj 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 also started the TiE chapter in Kolkata. TiE's mission is to foster entrepreneurship globally through mentoring, networking, and facilitating wealth creation. Additionally, he 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'.

After receiving his BS and MBA degrees in the United States, he left his job as a software systems analyst in Los Angeles, California and returned to India and incepted R. S. 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 revolutionised the domain-focused model of IT outsourcing.

As Chairman and Managing Director of RS Software, Mr. Jain is responsible for providing the leadership required to realise the Company's vision of being the global leader in providing technology solutions for the electronic payments industry.

ASHOK GAUR

VICE PRESIDENT, OPERATIONS AND PRODUCTIVITY ENHANCEMENT

Mr. Gaur has an engineering degree in computer science. His 25-year long career in the financial services industry includes experience in pre-sales, business development, service delivery, customer relationship management, program management and operations. He has worked in the Americas, Europe, the Middle East and India along with other Asian countries. He has a thorough understanding of quality processes and has been involved in multiple implementations of CMM, CMMI and PCMM Level-5 practices.

Prior to joining RS Software, Mr. Gaur has worked with TCS, Polaris, CSC and Xchanging in various capacities.

PRASANTA CHAKRABORTY

VICE PRESIDENT CORPORATE

Mr. Chakraborty holds a degree in electronics and communications and during his two decade-long career

he has donned diverse roles at major global corporations - inking mammoth outsourcing deals, managing key customer accounts and overseeing strategic business development.

At RS Software he leads the account management and business support segments globally, and ensures the highest levels of pre-sales and post-sales experience for the customers.

VIJENDRA SURANA

CFO AND COMPANY SECRETARY

Mr. Surana has 20 years of experience in strategic management, corporate planning and financial management including 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 structuring, 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 organisation. Diligent financial management through operational efficiencies and procedural improvement have ensured seamless corporate governance and business continuity for customers leading to significant improvement in the performance of the Company.

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

SUMIT MISRA

GENERAL MANAGER

Mr. 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 the Company's 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, QUALITY AND
BENCHMARKING

Mr. Chaudhuri's career in the software industry spans more than 20 years, with a focus on benchmarking and developing process architecture within organisations. His depth and range of experience includes project management, business process re-engineering and the design and implementation of highly reliable quality systems.

At RS Software, Mr. Chaudhuri directs the continuous benchmarking of our process architecture to best practices globally. He is a certified quality analyst from QAI in the United States.

SANJAY GUHA
DEPUTY GENERAL MANAGER

Mr. Guha did his M.Sc from Jadavpur University and has significant experience executing large complex projects for leading organisations in the electronic payments industry in the US, Europe and India. His expertise encompasses the credit card segment, merchant boarding, agent residual management as well as chargeback and dispute management. In a career that spans more than 22 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 organisation, which is vital to our vision of being the global leader in providing end-to-end solutions to the payment industry players.

KALLOL GHOSH
DEPUTY GENERAL MANAGER

In a career that covers nearly two decades, Mr. 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 an expansive repertoire pertaining 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 bachelor's degree in science and a master's degree in business administration.

INDRANI ROYCHOWDHURY
SENIOR MANAGER

During her 24-year career, Ms. Roychowdhury's career has interfaced with customers from around the world to help develop an understanding of how to effectively communicate across different corporate environments. Her work with the media and industry associations has provided her with a unique understanding of how a corporate is perceived within the industry and to transmit its consistency, credibility and capabilities.

At RS Software, Ms. Roychowdhury manages the corporate communications process and she and her team are responsible for sending a cohesive message to its internal and external stakeholders, in sync with the Company's mission, vision and values. Indrani holds a Graduation degree in psychology and has a diploma in software systems development.

Statutory **section**

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

Notice to Members

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of R. S. Software (India) Limited will be held on Friday, July 10, 2015 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 financial statements of the Company for the financial year ended March 31, 2015, the Balance Sheet as on that date, and the Reports of the Board of Directors (the 'Board') and Auditors thereon.
2. To declare a final dividend @ 25% i.e. ₹1.25 per equity share and to confirm the interim dividends for ₹1.00 per equity share, ₹1.50 per equity share and ₹0.75 per equity share, already paid during the year for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mrs. Sarita Jain (holding DIN 00206743), 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 the following resolution as Ordinary Resolution :

"Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder 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".

By Order of the Board

Registered Office:
234/3A, A.J.C. Bose Road
Kolkata – 700 020
April 17, 2015

Vijendra Surana
CFO & Company Secretary

NOTES:

- a. 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. 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.
- c. 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.
- d. The Register of Members and Transfer Books of the Company will remain closed from July 4, 2015 to July 10, 2015 (both days inclusive).
- e. Members who have not yet encashed their dividend warrant(s) issued by the Company since the financial year ended 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).
- f. 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 Friday, July 3, 2015 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 Friday, July 3, 2015.
- g. 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 3, 2015.
- h. 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 3, 2015 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.
- i. **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.**
- j. 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 3, 2015. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
- k. 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.
- l. 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.
- m. 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 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.
- n. 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.
- o. The Annual Report 2014-15 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 2014-15 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.
- p. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
- q. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account No. (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.
- r. **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 27th 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 3rd, 2015 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. 033-4011 6700/11/18/23/28 Fax No. 91-033- 4011 6739).
- 3) The e-voting period commences on July 7, 2015 at 9.00 a.m. and ends on July 9, 2015 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 7, 2015 (9:00 a.m.) and ends on July 9, 2015 (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 3, 2015 , may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date" i.e. Record date, attending the meeting, who has not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> • 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. • 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.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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 (vii).

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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.
 - After receiving the login details they have to create 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 should be mailed to 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.

- (xix) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- s. The e-voting period commences on July 7, 2015 (9:00 a.m.) and ends on July 9, 2015 (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.
- t. 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 3, 2015.
- u. Shri Mohan Ram Goenka, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the General Meeting unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any forthwith to the CFO & Company Secretary of the Company.
- w. 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 and on the website of CDSL immediately after the result is declared by the CFO & Company Secretary and communicate to the Stock Exchanges.
- x. 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.
- y. The Scrutinizer's decision on the validity of the Ballot Paper / Polling Paper form will be final.

By Order of the Board

Registered Office:
234/3A, A.J.C. Bose Road
Kolkata – 700 020
April 17, 2015

Vijendra Surana
CFO & Company Secretary

Additional Information on Director seeking appointment / re-appointment at the AGM as required under Clause 49(VIII) (E) of the Listing Agreement with the Stock Exchanges:

Name	Mrs. Sarita Jain
Date of Birth	7th September, 1957.
Date of appointment	20th January, 1988
Qualification and Expertise in specific functional areas	Mrs. Sarita Jain holds a Master Degree in English Literature and a Diploma in Mass Communication and Home Science. She is one of the Promoter Directors of your Company and her contribution on all professional matters of the Company has been noteworthy.
List of Directorships (excluding foreign Company)	None
Chairman/Member of the Committees of Board of Directors of the Company	None
Chairman/Member of the Committees of Board of Directors of the other Indian public limited companies in which he is a Director	None
Shareholdings in the Company	366544 equity shares
Relationship with other Director	Wife of Mr. Rajnit Rai Jain (Chairman & Managing Director)

Directors' Report

Dear members

Your Directors take pleasure in presenting their Twenty Sixth Annual Report and the audited Statement of Accounts, highlighting the business operations and financial results for the financial year ended March 31, 2015.

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

The summarised 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 Company appears as follows: (₹ in lac)

Particulars	2014-15	2013-14
Turnover	35711.24	35899.37
Profit before Finance Charges, Tax, Depreciation/Amortisation (PBITDA)	10216.44	8094.29
Less: Finance Charges	37.03	85.96
Profit before Depreciation/Amortisation (PBTDA)	10179.41	8008.33
Less: Depreciation	554.83	547.67
Net Profit before Taxation (PBT)	9624.57	7460.66
Provision for taxation	3131.04	2342.71
Profit/(Loss) after Taxation (PAT)	6493.53	5117.95
Provision for proposed dividend	833.80	767.10
Dividend tax	170.81	124.44

On the basis of Consolidated financial statements, the performance of the Group appears as follows: (₹ in lac)

Particulars	2014-15	2013-14
Turnover	38807.28	38920.31
Profit before Finance Charges, Tax, Depreciation/Amortisation (PBITDA)	10499.57	8382.02
Less: Finance Charges	37.93	87.85
Profit before Depreciation/Amortisation (PBTDA)	10461.64	8294.17
Less: Depreciation	554.83	547.67
Net Profit before Taxation (PBT)	9906.81	7746.50
Provision for taxation	3168.14	2388.13
Minority interest	0.00	0.00
Profit/(Loss) after Taxation (PAT)	6738.67	5358.37
Provision for proposed dividend	833.80	767.10
Dividend tax	170.81	124.44

Summary of Operations

The fiscal year 2014-15 achieved the highest financial performance in the history of the Company. During the year, the Company's profit after tax stood at ₹6713 lac vis-à-vis ₹5358 lac in the previous year, registering a growth of 25.28%. The net revenue at ₹37642 lac is marginally down from the previous year's revenue of ₹38188 lac.

State of Company's affairs

• Margins analysis

The Company's EBITA margin strengthened to 25.60% in 2014-15 from 20.13% in 2013-14 owing to:

- Increased execution of business from lower cost geographies like India and Singapore
- Strategic cost management initiatives resulting in optimal infrastructure utilisation
- Efficient current asset management, including receivables and creditors, resulted in lower interest cost
- EBITDA has crossed ₹10499.57 lac for the first time in the Company's history
- The net profit margin was 17.36% in 2014-15 compared to 13.77% in 2013-14 despite higher expenditure on Taxes

• Reserve

The Company proposes to transfer a sum of ₹109 lac to its CSR Reserve. An amount of ₹6629.67 lac is proposed to be retained in the Statement of Profit and Loss for the financial year 2014-15.

• Capital employed

The total capital employed increased from ₹17583 lac to ₹22781 lac in 2014-15 largely due to an increase in reserves and surplus, and a small increase in equity capital.

Economic Scenario and Outlook

The Global Payment Industry is poised for continuing growth, reaching \$2.3 Trillion by 2018

1. Fuelled by increase in stability and volume – applicable for liquidity revenue as well as transaction revenue - the Payments industry is projected to reach \$2.3T by 2018 (@ 8% CAGR) Payment-related revenue will account for 43% of global banking revenue by 2018, up from 34% in 2009.
2. Five disruptive forces:
 - a. Digital transformation of merchant payments

- b. Shift in power from data accumulation to data insights and applications i.e. growing role of data analytics in developing actionable market insights
- c. Advent of non-card real-time payments: conversion of paper could release \$80 billion by 2018
- d. Rapid growth and digital transformation in cross-border transaction banking: estimated to be growing at 9%
- e. Payments will be the cornerstone in the next phase of digital banking

3. Highest growth would be from APAC (56%) region – top growth rate being that of Indonesia (17% CAGR), followed by China (15% CAGR). 25% of Indonesia's growth would be fuelled by payment transaction fees.
4. European Commission's new interchange regulation, which is likely to come into effect in 2016. In its current version, it would cause \$7.2 billion in European card revenue to evaporate.

Historic impact:

- a. The implementation of the Directive on Payment Services in Europe led to the evaporation of \$1.5 billion in float revenue, as of 2008
- b. In the U.S., the Durbin Act will cut revenues by \$7.1 billion, by 2018
- c. Overdraft pricing limits in the UK and interchange fee limits in Australia, India and Korea have also taken their toll

Disruptions and Opportunities are emerging from Digitisation

1. Sustained growth expected in the next 5 years
2. 70% of world population own mobile out of which 25% have smartphones (2013)
3. Online banking grew by 2.6% and mobile banking grew by 4.4% (2013)
4. Consumer need driving convenience of mobile + personalized banking service; Corporate demand driving online and digital banking service
5. Regulatory impact driving changes:
 - a. Margin compression may impact short term but would have low impact on long term revenue
 - b. KYC and AML adding cost to bank operation but creating a barrier to entry for new entrants

- c. Increasing openness and standardization – leading to opportunity for non-banking digital technology players' opportunity to access accounts and build services in a uniform way – this would have highest positive impact
6. Digital transformation of merchant payments:
- a. E-commerce growing 6 times faster than store commerce
 - b. Innovations driving adoption – e-wallet (PayPal), credit transfer (IDEAL in Netherlands, MyBank in Europe)
 - c. Emergence of specialized online merchant service providers such as online payment service providers and gateways
 - d. Smartphone blurring digital and physical purchase experience – increasing “consider-evaluate-buy-bond” experience adoption
 - e. Mobile as POS and Mobile POS increasing e-payment adoption for SMB
 - f. Integration of checkout and purchase paving way for new service and revenue via loyalty programs, consumer analytics, mobile search and digital offers
 - g. Technology players entering the space – LevelUp, Braintree, Square, Amazon, Google, etc. and banks are competing as well – new solutions from Spain's CaixaBank mPOS is Square like, Albert from Commonwealth Bank of Australia complete with “Pi” an open platform marketplace where Albert apps can be built (like Clover), CaixaBank's PremiaT allows cardholders to access offers and promotions in their vicinity (using geo-location technology) and gives merchants a platform to circulate their offers among a large pool of potential customers
 - h. For banks that support issuing and acquiring, digital platform is enabling integrated services across channels (online, mobile and in-store) and new services along the consumer purchasing journey, merchant providers can widen the scope of their business. This would recover revenue erosion for the issuing segment forced by compression of fees
7. Shift in power from data accumulation to data insights and applications
- a. Parameters captured by payments: spending preferences of consumers, location, liquidity behaviours, channel preferences and even counterparty exposures
- b. The global payments industry transacts an estimated nearly 400 billion cashless payments a year, amounting to nearly 30 terabytes of data
 - c. Traditionally analytics was used for risk and fraud management, however, now aggregators are using these for more than one way – for example, compute credit rating using social data (Lenddo) scans inputs from Facebook, LinkedIn, Twitter, Gmail and Yahoo accounts, as well as past credit repayment performance ratings, to rate a consumer's credit-worthiness
 - d. Banks are tying up with technology players to kick start. Bank of America, for example, combined its existing customer base and data with Cardlytics, forming BankAmeriDeals, a merchant-funded rewards program that taps into customer data to create targeted digital offers for Bank of America customers. A similar example is Chase and Visa
8. Advent of non-card real-time payments
- a. Australia has launched a platform “New Payments Platform” for low value payments that would be funded immediately and has created a platform for banks to innovate
 - b. Similar efforts are in UK (Faster Payments), Singapore (G3), Sweden (BiR)
 - c. These can migrate C2C / P2P payments away from paper. 2013 estimate for C2C is \$6.2T. If 5% is moved to such platform it would generate \$80B additional revenue. However, this may eat into card payments and if 5% of card transaction moves to this, it would erode \$20B from the payment revenue
 - d. Banks need to adopt service lines for such low value transactions to support use cases such as one-off person-to-business payments (like last-minute bill payments); or low-value business-to-business payments
9. Rapid growth and digital transformation in cross-border transaction banking
- a. Cross-border transactions, which include both cross-border payments and trade finance documentary services, accounted for \$230 billion in revenues in 2013

- b. Expected to grow at 8% CAGR
 - c. Epicentre is shifting from Europe to Asia with rise of middle class in this region
 - d. New technology players are challenging banks here – Traxpay, Earthport, KlickEx, Open-SCi and Orbian are examples of non-bank players competing with the correspondent banking system
 - e. KYC and AML driving interoperable third party KYC services beyond banks SWIFT KYC and Thomson Reuters KYC – this can benefit technology players as well.
10. Payments will be a cornerstone in the next phase of digital banking
- a. Payments is the dominant digital part of banking and is the testing ground for broader digital banking products and services
 - b. Web fuelled online channel is being expanded by mobile infrastructure now available
 - c. Integrating to provide via mobile spend management, social integration, real-time location-based loyalty and discount offers
 - d. Success stories in Kenya, India, South Africa, Uganda, Ghana are path setters

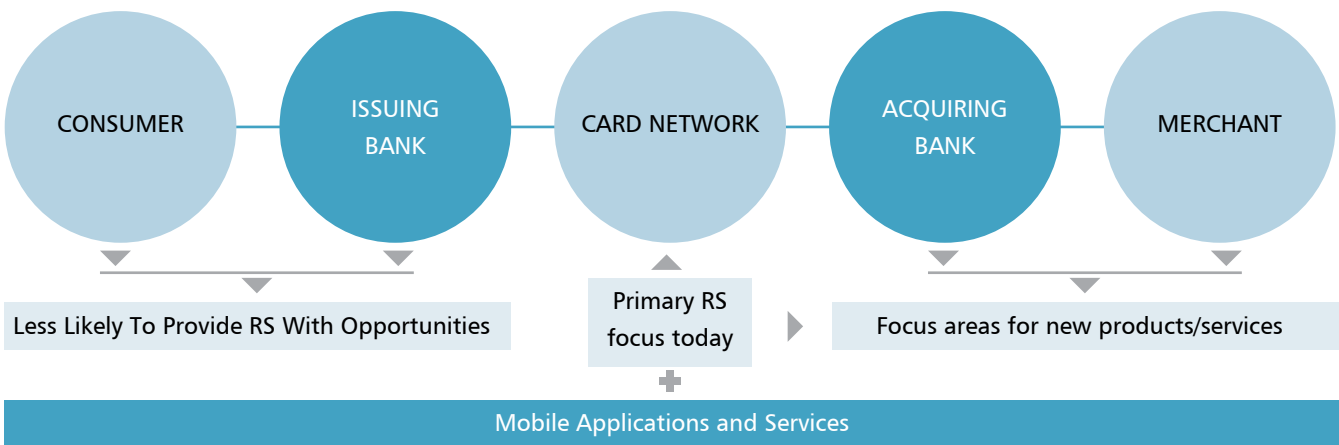
The world is quickly transitioning to Digital commerce and that demands Digital payments, anytime, anywhere. Internet of things (IOT) is at the heart of this evolution, and it is

believed that the IOT build is a \$30 trillion opportunity over the next 10+ years. According to Ernst and Young, there are already 500 million middle class consumers in emerging markets and the number is likely to grow by 3 billion in the next two decades. This translates into what Financial Times terms as Demand shock by emerging economies, building the market for American brands and products. Digital commerce is creating a level playing field for consumers to buy goods anytime, anywhere.

Digital commerce is bringing about regulatory changes which in turn impact the payments industry. Domain knowledge therefore becomes a key ingredient for companies to build the evolutionary payments infrastructure. RS Software is uniquely qualified to engage in this space, and is transitioning its strategy to capitalize on these defined trends. This transition is impregnated with challenges and opportunities which bring potential volatility with it. Fortunately the company in its twenty+ years has demonstrated success in navigating volatility, achieving managed transition to strengthen its long term foundation. The company is committed to use this opportunity to diversify its business away from its dominant client and expand its reach to geographies beyond North America.

RS Software has taken the decision to minimise its risks of client concentration, put in place a risk managed business model that will transition its strategy to achieve its dual objective of progressing from “pure outsourcer” model to a hybrid, with new recurring product/services revenue.

RS SOFTWARE RISK MANAGED BUSINESS MODEL FOR GROWTH



Management Discussion and Analysis

RS Software services the growing needs of leading organisations in the global payments industry through in-depth expertise, all-inclusive services and relentless innovation.

Making it an attractive proxy of this rapidly emerging space across the world.

RS Software - the leader in this space, and committed to enhance it further.

One, we work extensively with payment network companies, who represent the core of electronic payment processes. These networks drive much of the innovation and cutting-edge development that transform the way we now transact in a virtual world. By the virtue of being present at the cutting-edge of change, we benefit in two ways: we are able to appraise the direction in which modern payment networks and technologies are headed and are hence able to adapt our technology response; we are able to provide services with speed around these inflection points through which we evolve into a preferred service provider.

Two, even as we derive the principal portion of our revenues from one of the largest payment network companies and have been doing so for years, we are optimistic of the vast operating headroom in exploring opportunities across other companies. RS Software is engaged in leveraging the rich experience of working with large select clients and widening its customer mix, broad-basing its risk and opening it to wider growth possibilities.

Three, even as one reads extensively about the e-commerce revolution transpiring in India, the reality is that the country is barely scratching the surface. Most people confuse e-commerce for digital payments. In India, there is a difference; a number of e-commerce transactions are still concluded through physical cash at the customer's premises. As the country matures in the use of virtual money, we see a growing incidence of digital payments. As a company that has been engaged in this space for years, we are well positioned to provide a widening portfolio of solutions to other payment network companies.

Four, there is a growing recognition that digital money will be the currency of the future. This evolution is being catalysed by the growing incidence of smartphones. As opportunities on smartphones increasingly present themselves, the consumer intends to transact immediately through the same instrument. There is then a growing priority for payment network

companies to facilitate these transactions through smartphone applications, which inevitably warrants dependable knowledge service providers like RS Software.

The company is exploring a larger presence in the testing space. Our testing revenues have grown 2.5x, in the last 5 years alone. This is a validation of our deep commitment to this space, which represents approximately 30% to 35% of the entire software life cycle management. As the payment industry evolves and responds to digital commerce, new technologies are getting adopted, and legacy applications (dominant portion of the existing technology infrastructure) have to interface with new generation applications. Each of these has to be tested to ensure that the trust on the financial services provider is not impacted. As it is, the disruptors like Apple, Google, Alipay and Amazon are making life difficult for Incumbents - the major banks and payment networks. RS Software is committed to meet the needs of both the Incumbents and the Disruptors.

The State of Testing

The testing industry has seen significant expansion across all sectors in the last five years. It is seen by many as one of the most important growth areas in the IT sector and has experienced major activity in M&A activity while other parts of the market have remained stagnant to a great degree.

Agile methodology

It is estimated that the testing process consumes between a third and a half of all software development budgets. As the industry as a whole moves increasingly towards agile development processes, the need for testing at all stages increases. The reality of Agile development methods is that companies see many more code drops in an environment where traditional approaches to testing deliver massively reduced value as the steady state such approaches rely on are non-existent. In addition, the ability to provide genuine load testing grows in relevance and importance, as changes are released frequently into a production environment to maximise the benefits of the agile development state.

Cloud based testing

The growth in cloud computing further extends the need for load testing and the broader requirement of virtualisation. Testing virtualisation offers the opportunity for entire systems to be tested, scaled and deployed rapidly, and without the need for major hardware environments supporting replicated live systems, which improves turn around for users and makes a significant, positive impact on costs. In itself, the provision

of cloud based testing services enables substantial cost savings for the industry as well as stricter adherence to standards. For instance, clients can take advantage of interface testing in the cloud, rather than each owning their own interface testing tools, which would in themselves require uplifts as the standards change and develop (an exercise that occurs twice a year in all major schemes).

Brand protection & innovation

For many financial institutions, the software and the services they provide are their only means of engaging or interacting with their client. Internet banking, ATMs, Mobile Payments and Banking, Tablet services, are the ways in which the modern consumer manages the full range of their relationship with their bank or payment provider. These facilities are now normalised in every sense, and any lack of availability of what is expected to be a 24x7 set of services is the modern equivalent of a bank not opening its doors fifty years ago. Preventing operational issues, down time, system failures, or even the most basic account level errors is fundamental to ensuring the service expectation is met fully. Organisations who do not invest in proper, professional testing will increasingly fall behind their competitors as devices, channels and services, and their speed of deployment, continue to be central to a bank's customer engagement strategy. When one considers the severe impact of promoting poorly tested solutions into production it's clear to see why this is such a critical IT component. Financial losses, system unavailability and the resultant damage to a financial institution's brand have all been experienced by some of the world's foremost organisations as a result of ineffective testing. These problems impact balance sheets, share values and are often very public; they cause embarrassment, and occasionally worse, to senior managers. The critical role of testing along the full extent of the payment chain is, as a result, recognised across all players in the financial sector.

Digital payment opportunities are perishable; if a network cannot facilitate payments, the consumer immediately uses another card and moves to another network. The result is that every network wants to create a 99.99 percent uptime environment that facilitates transactions anywhere, anytime and anyhow. This is easier said than done. What this requires is a comprehensive testing discipline that helps in building and maintaining networks. Over the last few years, the emphasis on testing has only grown. With client requirements growing – in volumes, urgency and sophistication – the time has come to take our testing competencies to the other level. We need to provide end-to-end testing solutions (across products

and services) that make us mission-critical to the success of our customers, translating into multi-year engagement and growing project sizes. To grow these competencies in-house would take long; what we need to do is go out and acquire companies that possess these capabilities, fast-tracking our growth from one level to another.

2. Dividend

The Board of directors has recommended a dividend of 25% i.e. ₹ 1.25 per share to the Equity Shareholders of the company for the Financial year ended 2014-15 subject to approval of the Shareholders in this Annual General Meeting. The Board of directors has already declared and paid three (3) interim dividends@ 10%, 15% & 15% for the Financial Year 2014-15 to the equity shareholders of the Company.

Interim Dividends:

- For the First Quarter Period the Company has declared a Dividend of ₹ 1 per Share i.e. 10% as on 17th July, 2014.
- For the Second Quarter Period the Company has declared a Dividend of ₹ 1.50 per Share i.e. 15% as on 17th October, 2014.
- For the Third Quarter Period the Company has declared a Dividend of ₹ 0.75 per Share (after Stock Split) i.e. 15% as on 16th January, 2015. (As the Record Date is 22.01.2015 for the Dividend Declaration and Stock Split.)

3. Finance and Capital

Cash and cash equivalent as at March 31, 2015 was ₹ 14682.95 Lacs. The Company continues to focus judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

The paid up Equity Share Capital as on March 31, 2015 was ₹ 1,28,391,590 (25,678,318 Equity Shares of ₹ 5/- per share). The Nominal value of each Equity Share has been sub-divided from ₹ 10/- per share to ₹ 5/- per Share on 31.12.2014 by e-voting and postal ballot under the Provisions of Section 108 and under Section 61 read with 110 of the Companies Act, 2013, beside that there was no issue of rights / preferential / private placement basis. 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 2014-15 the

employees had exercised 34325 ESOP options and according to the Company's ESOP Scheme equity shares in the ratio of 1:1 were allotted to the eligible employees. The Company had allotted 34,325 equity shares to the eligible employees by way of ESOP and ESOP pursuant to Bonus. The details of ESOP allotments are given in "Annexure A" to Board's Report.

An Employees Stock Option Scheme effective from 1st April 2013 for a period of 3 years was approved by the Shareholders at the AGM held on July 18, 2013.

During the year 2014-15, the Company allotted 7,500 equity shares at a price of ₹ 84.75 per share which includes a premium of ₹ 74.75 per share as on 24.08.2014 and 26,825 equity shares at a price of ₹ 49.55 per share which includes a premium of ₹ 39.55 per share as on 26.11.2014 under ESOP.

5. Provision of money by the 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 clause 43(c) 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 Subsidiaries

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 Agreement 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 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. 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 2014-15.

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 2014-15. 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, 2015 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

During the year Mr. Shital Kumar Jain (DIN: 00047474), Mr. Rajasekhar Ramaraj (DIN: 00090279), and Mr. Richard Nicholas Launder (DIN: 03375772) were appointed as Independent Directors of your Company for a period of 5 years. Your Company issued a formal letter of appointment to the Independent Directors.

Mrs. Sarita Jain, Non-Executive Director of the company who is liable to retire by rotation and offers herself 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 revised Clause 49 of the Listing Agreement has been received by the Company.

19. Key Managerial Personnel

Mr. Rajnit Rai Jain (DIN:00122942) Executive Director and Chairman & Managing Director and Mr. Vijendra Kumar Surana CFO & Company Secretary of the company, were designated as Key Managerial Personnel during the financial year 2014-15 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. 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 arm's 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 Clause 49(II)(B)(7) of the Listing Agreement, 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. Corporate Governance

The Corporate Governance which form an integral part of this Report, are set out as separate "Annexure I", together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. 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 2014-15 and the details of the remuneration paid to the Directors of the Company.

Formal Annual Evaluation

All information regarding this have been provided in Annexure 'I' to the Directors' Report

Vigil Mechanism

Information regarding this have been provided in Annexure 'I' to the Directors' Report

25. 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.

26. 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, 2015, 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, 2015 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.
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. 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

Kolkata
April 17, 2015

Rajnit Rai Jain
Chairman

Annexure "A" to **Directors' Report**

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

Option granted: 105100 options granted on November 12, 2010.

- a. The pricing: ₹49.55 per option.
- b. Options vested: For employees 25% of the total options granted would be vested on completion of one year and for Directors 100% of the total options granted would be vested on completion of one year from the date of grant of the options. For employees there was a staggered vesting period for 4 years from the date of grant of the options.
- c. Options exercised in the Financial Year 2014-15: 26825 options.
- d. Allotment of Bonus Shares arising out of ESOP: N.A.
- e. The total number of shares arising as a result of exercise of option: 26825 equity shares.
- f. Variation of terms of options: N.A.
- g. Money realized by exercise of options: ₹1329179.00
- h. Equity Shares allotted under ESOP: 26825 equity shares.

Option granted: 75000 options granted on July 12, 2012.

- a. The pricing: ₹84.75 per option.
- b. Options vested: For employees 25% of the total options granted would be vested on completion of one year and for Directors 100% of the total options granted would be vested on completion of one year from the date of grant of the options. For employees there was a staggered vesting period for 4 years from the date of grant of the options.
- c. Options exercised in the Financial Year 2014-15 by the Employees:7500 options
- d. Allotment of Bonus Shares arising out of ESOP: N.A.
- e. The total number of shares arising as a result of exercise of option: 7500 equity shares
- f. Variation of terms of options: N.A.
- g. Money realized by exercise of options: ₹635625.00
- h. Equity Shares allotted under ESOP: 7500 equity shares.

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 Responsive Solution INC 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, 2014 to March 31, 2015
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 ₹62.59
5. Share capital: USD 500,000.00
6. Reserves & surplus: USD 284,968.00
7. Total assets: USD 794,431.00
8. Total Liabilities: USD 794,431.00
9. Investments: 0.00
10. Turnover: USD 449,208.00
11. Profit before taxation: USD 55,453.00
12. Provision for taxation: USD 7, 514.00
13. Profit after taxation: USD 47,939.00
14. Proposed Dividend: 0.00
15. % of shareholding: 100%

Information in respect of R.S. Software (Asia) Pte. Ltd. with amounts in 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, 2014 to March 31, 2015.
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 ₹45.56
5. Share capital: SGD 25000.00
6. Reserves & surplus: SGD 1,636,488.00
7. Total assets: SGD 1998,279.00
8. Total Liabilities: SGD 1998,279.00
9. Investments: 0.00
10. Turnover: SGD 6,178,369.00
11. Profit before taxation: SGD 542,547.00
12. Provision for taxation: SGD 70, 356.00
13. Profit after taxation: SGD 472, 191.00
14. Proposed Dividend: 0.00
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

Annexure "C" to Directors' Report

Form No. MR - 3

Secretarial Audit Report

For the Financial Year Ended 31st March, 2015

[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.

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 R S SOFTWARE (INDIA) LTD. 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, 2015 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:
 - 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;
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - **Not Applicable***
 - (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; and
 - **Not Applicable***
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - **Not Applicable***
 - vi) And other applicable laws like The Indian Copyright Act, 1957, The Patents Act, 1970 etc.
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, 2015 according to the provisions of:

4. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- **Not Applicable (As it is not notified by the Ministry of Corporate Affairs till 31st March, 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.
- (* during the financial year ended on 31st March, 2015)

5. **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.

6. **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.
7. **We further report that** during the audit period the Company has split up its' shares and sub-divided from one Equity Share of the Company of Face Value of ₹10/- each to two Equity Shares of ₹5/- each.
8. This Report is to be read with our letter of even date which is annexed and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries

[M. R. Goenka]
Partner

Place: Kolkata
Date: 17.04.2015

FCS No.:4515
C P No.:2551

“Annexure”

(TO THE SECRETARIAL AUDIT REPORT OF R S SOFTWARE (INDIA) LTD.
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015)

To,
The Members
R S Software (India) Ltd.

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: 17.04.2015

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, 2015

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 of the Company:- PUBLIC LIMITED COMPANY
- v) Address of the Registered Office and contact details:-
"FMC FORTUNA", 1ST FLOOR, A-2, 234/3A, AJC BOSE ROAD, KOLKATA-700020.
- vi) Whether listed company:- Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any,
C.B. MANAGEMENT SERVICES (P) LTD.
P-22, BONDEL ROAD, KOLKATA-700019
Phone No. 033 2280 6692-94 / 2486 / 2937
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.	RS 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				No. of Shares held at the end of the year (%)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	4929879	-	4929879	38.50	9824558	-	9824558	38.26	- 0.24
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	4929879	-	4929879	38.50	9824558	-	9824558	38.26	- 0.24
(2) Foreign									
(a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	4929879	-	4929879	38.50	9824558	-	9824558	38.26	- 0.24
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	331850	14632	346482	2.71	0.00	29064	29064	0.11	- 2.60
(b) Banks / FI	7476	1096	8572	0.07	35144	2192	37336	0.15	0.08
(c) Central Govt	-	2944	2944	0.02	-	5888	5888	0.02	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	474817	2304	477121	3.73	1895704	4608	1900312	7.4	3.67
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	814143	20976	835119	6.52	1930848	41752	1972600	7.68	1.16
2. Non-Institutions									
(a) Bodies Corp.	1218776	10589	1229365	9.6	2665269	18010	2683279	10.45	0.85
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	3291102	347981	3639083	28.42	7561748	584814	8146562	31.73	3.31

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year (%)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1775560	15104	1790664	13.98	2165827	-	2165827	8.43	- 5.55
(c) Others (specify)									
NRI	178489	19696	198185	1.55	505738	37160	542898	2.11	0.56
Foreign National	-	34200	34200	0.27	63400	-	63400	0.25	-0.02
OCB	-	1792	1792	0.01	-	3584	3584	1.01	1
Clearing	146547	-	146547	1.14	274205	-	274205	1.07	-0.07
Member Trust	-	-	-	-	1405	-	1405	0.01	0.01
Sub-total (B)(2):-	6610474	429362	703986	54.98	13237592	643568	13881160	54.06	-0.92
Total Public Shareholding (B)=(B)(1)+(B)(2)	7424617	450338	7874955	61.5	15168440	685320	15853760	61.74	0.24
Total (A) + (B)	12354496	450338	12804834	100	24992998	685320	25678318	100	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12354496	450338	12804834	100	24992998	685320	25678318	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	4737807	37.00	-	9458014	36.83	-	-0.17
2.	Sarita Jain	192072	1.50	-	366544	1.43	-	-0.07

(iii) Change in Promoters Shareholding:

Sl No.	Shareholder's Name	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
	At the beginning of the year	4929879	38.50	4894679	-0.24
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	***			
	At the end of the year	9824558	38.26		

SI No.	Name	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1	Rajnit Rai Jain	01-04-2014	4737807	37.00	4737807	37.00
		31-10-2014	4400	0.03	4733407	36.97
		07-11-2014	4400	0.03	4729007	36.93
		23-01-2015	4729007	18.42	9458014	36.83
		31-03-2015			9458014	36.83
2	Sarita Jain	01-04-2014	192072	1.50	192072	1.50
		31-10-2014	4400	0.03	187672	1.47
		07-11-2014	4400	0.03	183272	1.43
		23-01-2015	183272	0.71	366544	1.43
		31-03-2015			366544	1.43

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

SI No.	For Each of the Top 10 Shareholders	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
	At the beginning of the year				
1.	Barclays Wealth Trustees India Pvt Ltd	574320	4.47	574320	4.47
2.	Dolly Khanna	420787	3.28	420787	3.28
3.	Reliance Capital Trustee Co Ltd	331850	2.58	331850	2.58
4.	Orange Mauritius Invest Ltd	218771	1.70	218771	1.70
5.	SLG International Opportunities LP	192100	1.50	192100	1.50
6.	Pankaj Mahasukh Gopani	121500	0.95	121500	0.95
7.	M Kaveri Bai	115000	0.90	115000	0.90
8.	Chetna Pankaj Gopani	99000	0.77	99000	0.77
9.	Westex Infotech Private Limited	82000	0.64	82000	0.64
10.	Passage To India Master Fund Limited	63946	0.50	63946	0.50
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	***			
	At the End of the year (or on the date of separation, if Separated during the year)				
	Barclays Wealth Trustees India Pvt Ltd	1148640	4.47	1148640	4.47
	Dolly Khanna	861638	3.36	861638	3.36
	Reliance Capital Trustee Co Ltd	0	0	0	0
	Orange Mauritius Invest Ltd	0	0	0	0
	SLG International Opportunities LP	388200	1.51	388200	1.51
	Pankaj Mahasukh Gopani	0	0	0	0
	M Kaveri Bai	220500	0.86	220500	0.86
	Chetna Pankaj Gopani	0	0	0	0
	Westex Infotech Private Limited	0	0	0	0
	Passage To India Master Fund Limited	120350	0.47	120350	0.47

Sl No.	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1	Barclays Wealth Trustees India Private Limited	At the beginning of the year	01-04-2014	574320	4.47	574320	4.47
		Increase due to Stock Split	23-01-2015	1148640	4.47	1148640	4.47
		At the end of the year	31-03-2015			1148640	4.47
2	Dolly Khanna	At the beginning of the year	01-04-2014	420787	3.28	420787	3.28
		Increase	11-04-2014	1500	0.01	422287	3.29
		Increase	25-04-2014	42250	0.33	464537	3.62
		Increase	02-05-2014	20750	0.16	485287	3.78
		Increase	23-05-2014	1675	0.01	486962	3.79
		Decrease	07-08-2014	2250	0.02	484712	3.78
		Decrease	15-08-2014	500	0.00	484212	3.77
		Decrease	22-08-2014	4250	0.03	479962	3.74
		Decrease	29-08-2014	11250	0.09	468712	3.65
		Decrease	30-09-2014	500	0.00	468212	3.65
		Decrease	24-10-2014	1750	0.01	466462	3.63
		Decrease	31-10-2014	3800	0.03	462662	3.60
		Decrease	07-11-2014	1600	0.01	461062	3.59
		Decrease	14-11-2014	1850	0.01	459212	3.58
		Decrease	21-11-2014	1000	0.01	458212	3.57
		Decrease	28-11-2014	3500	0.03	454712	3.54
		Decrease	05-12-2014	5576	0.04	449136	3.50
		Decrease	12-12-2014	2897	0.02	446239	3.48
		Decrease	31-12-2014	500	0.00	445739	3.47
		Decrease	09-01-2015	330	0.00	445409	3.47
		Decrease	16-01-2015	475	0.00	444934	3.47
		Increase due to Stock Split	23-01-2015	889868	3.47	889868	3.47
		Decrease	30-01-2015	5000	0.02	884868	3.45
Decrease	06-02-2015	1235	0.00	883633	3.44		
Decrease	20-02-2015	1000	0.00	882633	3.44		
Decrease	27-02-2015	6807	0.03	875826	3.41		
Decrease	13-03-2015	7888	0.03	867938	3.38		
Decrease	20-03-2015	1300	0.01	866638	3.37		
Decrease	27-03-2015	5000	0.02	861638	3.36		
At the end of the year	31-03-2015			861638	3.36		
3	Reliance Capital Trustee Co Ltd - Reliance Longterm Equity Fund	At the beginning of the year	01-04-2014	331850	2.58	331850	2.58
		Decrease	11-07-2014	18843	0.15	313007	2.44
		Decrease	18-07-2014	26157	0.20	286850	2.23
		Decrease	01-08-2014	2418	0.02	284432	2.22
		Decrease	12-09-2014	25000	0.19	259432	2.02
		Decrease	19-09-2014	50000	0.39	209432	1.63
		Decrease	30-09-2014	31053	0.24	178379	1.39
		Decrease	31-10-2014	21250	0.17	157129	1.22
		Decrease	14-11-2014	6000	0.05	151129	1.18
		Decrease	21-11-2014	29325	0.23	121804	0.95
		Decrease	28-11-2014	47550	0.37	74254	0.58
		Decrease	12-12-2014	600	0.00	73654	0.57
		Decrease	09-01-2015	73654	0.57	0	0.00
		At the end of the year	31-03-2015			0	0.00

Sl No.	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
4	Orange Mauritius Investments Limited	At the beginning of the year	01-04-2014	218771	1.70	218771	1.70
		Decrease	04-04-2015	218771	1.70	0	0.00
		At the end of the year	31-03-2015			0	0.00
5	SLG International Opportunities,L.P	At the beginning of the year	01-04-2014	192100	1.5	192100	1.5
		Decrease	11-04-2014	14300	0.11	177800	1.38
		Increase	18-07-2014	16300	0.13	194100	1.51
		Increase due to Stock Split	23-01-2015	388200	1.51	388200	1.51
		At the end of the year	31-03-2015			388200	1.51
6	Pankaj Mahasukh Gopani	At the beginning of the year	01-04-2014	121500	0.95	121500	0.95
		Decrease	04-04-2014	12000	0.09	109500	0.85
		Decrease	11-04-2014	18000	0.14	91500	0.71
		Decrease	18-04-2014	14000	0.11	77500	0.6
		Decrease	09-05-2014	14000	0.11	63500	0.49
		Decrease	16-05-2014	10000	0.08	53500	0.42
		Decrease	30-05-2014	2000	0.02	51500	0.4
		Decrease	25-07-2014	31500	0.25	20000	0.16
		Decrease	15-08-2014	8000	0.06	12000	0.09
		Decrease	22-08-2014	3000	0.02	9000	0.07
		Decrease	12-09-2014	2000	0.02	7000	0.05
		Decrease	09-01-2015	500	0.00	6500	0.05
		Increase due to Stock Split	23-01-2015	13000	0.05	13000	0.05
		Decrease	30-01-2015	11000	0.04	2000	0.01
		Decrease	06-02-2015	2000	0.01	0	0.00
At the end of the year	31-03-2015			0	0.00		
7	M Kaveri Bai	At the beginning of the year	01-04-2014	115000	0.90	115000	0.9
		Decrease	22-08-2014	5550	0.04	109450	0.85
		Increase	12-12-2014	550	0.00	110000	0.86
		Increase due to Stock Split	23-01-2015	220000	0.86	220000	0.86
		Increase	06-02-2015	500	0.00	220500	0.86
At the end of the year	31-03-2015			220500	0.86		
8	Chetna Pankaj Gopani	At the beginning of the year	01-04-2014	99000	0.77	99000	0.77
		Decrease	04-04-2014	10000	0.08	89000	0.69
		Decrease	11-04-2014	5000	0.04	84000	0.65
		Decrease	18-04-2014	15000	0.12	69000	0.54
		Decrease	09-05-2014	8000	0.06	61000	0.48
		Decrease	01-08-2014	24000	0.19	37000	0.29
		Decrease	07-08-2014	3840	0.03	33160	0.26
		Decrease	15-08-2014	13500	0.11	19660	0.15
		Decrease	22-08-2014	5600	0.04	14060	0.11
		Decrease	12-09-2014	6000	0.05	8060	0.06
		Decrease	09-01-2015	500	0.00	7560	0.06
		Increase due to Stock Split	23-01-2015	15120	0.06	15120	0.06
		Decrease	30-01-2015	12700	0.05	2420	0.01
		Decrease	06-02-2015	2420	0.01	0	0.00
At the end of the year	31-03-2015			0	0.00		

Sl No.	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
9	Westex Infotech Private Limited	At the beginning of the year	01-04-2014	82000	0.64	82000	0.64
		Decrease	04-04-2014	82000	0.64	0	0.00
		At the end of the year	31-03-2015			0	0.00
10	Passage to India Master Fund Limited	At the beginning of the year	01-04-2014	63946	0.50	63946	0.5
		Decrease	09-01-2015	2946	0.02	61000	0.48
		Increase due to Stock Split	23-01-2015	122000	0.48	122000	0.48
		Decrease	30-01-2015	32650	0.13	89350	0.35
		Decrease	06-02-2015	9000	0.04	80350	0.31
		Increase	06-03-2015	10000	0.04	90350	0.35
		Increase	13-03-2015	30000	0.12	120350	0.47
		At the end of the year	31-03-2015			120350	0.47

(ii) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For Each of the Directors and KMP	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
	At the beginning of the year				
1.	Rajnit Rai Jain*	4737807	37.00	4737807	37.00
2.	Sarita Jain*	192072	1.50	192072	1.50
3.	Richard Nicholas Launder *	34200	0.27	34200	0.27
4.	Shital Kumar Jain*	30000	0.23	30000	0.23
5.	Rajasekhar Ramaraj*	34200	0.27	34200	0.27
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	***			
	At the end of the year				
1.	Rajnit Rai Jain	9458014	36.83	9458014	36.83
2.	Sarita Jain	366544	1.43	366544	1.43
3.	Richard Nicholas Launder	58400	0.23	58400	0.23
4.	Shital Kumar Jain	40000	0.16	40000	0.16
5.	Rajasekhar Ramaraj	68400	0.27	68400	0.27

* Allotment of Equity Share due to Sub division of One Equity Share of ₹ 10/- each into Two Equity Shares of ₹ 5/- each on 23rd January, 2015

Sl No.	Name - For each of the Directors and KMP	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
				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	01-04-2014	4737807	37.00	4737807	37.00
		Decrease	31-10-2014	4400	0.03	4733407	36.97
		Decrease	07-11-2014	4400	0.03	4729007	36.93
		Increase due to Stock Split	23-01-2015	4729007	18.42	9458014	36.83
		At the end of the year	31-03-2015			9458014	36.83
2	Sarita Jain	At the beginning of the year	01-04-2014	192072	1.50	192072	1.50
		Decrease	31-10-2014	4400	0.03	187672	1.47
		Decrease	07-11-2014	4400	0.03	183272	1.43
		Increase due to Stock Split	23-01-2015	183272	0.71	366544	1.43
		At the end of the year	31-03-2015			366544	1.43
3	Lauder Richard Nicholas	At the beginning of the year	31-03-2014	34200	0.27	34200	0.27
		Increase due to Stock Split	23-01-2015	68400	0.27	68400	0.27
		Decrease	13-03-2015	5000	0.02	63400	0.25
		Decrease	20-03-2015	5000	0.02	58400	0.23
		At the end of the year	31-03-2015			58400	0.23
4	Shital Kumar Jain	At the beginning of the year	01-04-2014	30000	0.23	30000	0.23
		Decrease	13-06-2014	2000	0.02	28000	0.22
		Decrease	30-06-2014	4000	0.03	24000	0.19
		Decrease	29-08-2014	4000	0.03	20000	0.16
		Increase due to Stock Split	23-01-2015	40000	0.16	40000	0.16
		At the end of the year	31-03-2015			40000	0.16
5	R Ramaraj	At the beginning of the year	01-04-2014	34200	0.27	34200	0.27
		Increase due to Stock Split	23-01-2015	68400	0.27	68400	0.27
		At the end of the year	31-03-2015			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	NIL	NIL	NIL	NIL
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				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

(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 (₹)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,	54,21,053.00	54,21,053.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit - others, specify...	14,00,000.00	14,00,000.00
5.	Others (Employer's Provident Fund)	4,32,000.00	4,32,000.00
	Total (A)	72,53,053.00	72,53,053.00
	Ceiling as per the Act	₹5.12 Crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

B. Remuneration to other directors:

Particulars of Remuneration	Name of Director	Name of Director	Name of Director	Total Amount (₹)
	Mr. Shital Kumar Jain	Mr. Rajasekhar Ramaraj	Mr. Richard Nicholas Launder	
1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	7,00,000.00	5,80,000.00	3,60,000.00	16, 40,000.00
Total (1) (₹)	16, 40, 000.00			
	Name of Director			
	Mrs. Sarita Jain			
2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	40, 000.00			40,000.00
Total (2) (₹)	40,000.00			
Total (B)=(1+2) (₹)	16,80,000.00			
Total Managerial Remuneration	₹16,80,000.00			
Overall Ceiling as per the Act	₹0.51 Crore (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

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

Sl. No.	Particulars of Remuneration	CEO	CFO & Company Secretary	Total (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,21,053.00	61,06,879.00	1,15,27,932.00
	(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	14,00,000.00	-	14,00,000.00
	- as % of profit			
	- others, specify...			
5	Others (Employer's Provident Fund)	4,32,000.00	2,84,889.00	7,16,889.00
	Total (₹)	72,53,053.00	63,91,768.00	1,36,44,821.00

VII. Penalties / Punishment/ Compounding of Offences: NIL

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/ Nature of Duties	Remuneration Received [₹]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
1	Vijendra Kumar Surana	CFO & Company Secretary	63,91,768.00	B.COM (HON), FCA, AICWAI, ACS, MBA (ICFAI)	20	43	November 02 2007	VISA INTERNATIONAL
2.	Ashok Kumar Gaur	VP OPS & Productivity Enhancement	68,97,628.00	B.E.	27	48	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	72,53,053.00	640087.00	11.33

- 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	58,32,000.00	72,53,053.00	24%
2.	Mr. Shital Kumar Jain	Director	3,80,000.00	7,00,000.00	84%
3.	Mr Rajasekhar Ramaraj	Director	3,20,000.00	5,80,000.00	81%
4.	Mr Richard Nicholas Launder	Director	1,80,000.00	3,60,000.00	100%
5.	Mrs Sarita Jain	Director	20,000.00	40,000.00	100%
6.	Vijendra Kumar Surana	CFO & Company Secretary	58,69,435.00	63,91,768.00	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
660940.00	640087.00	-3.16%

- iv. the number of permanent employees on the rolls of company: 873 Nos.
- v. the explanation on the relationship between average increase in remuneration and company performance: The Profit after Tax for the financial year 2014-15 increased by 26% and Median Remuneration decreased by 3.16%.
- 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	% increase
1	Market Capitalization	143%
2	PE ratio	3%

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 ₹21875.20 as on March 31, 2015 indicating Compounded Annual Growth Rate of 16.68%. 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.	Parameters	Average % increase
1	Increase in salary of KMP	17%
2	Increase in salary of employee (other than KMP)	-3%

- 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 24% Increase in Company Performance 26%
2	Vijendra Kumar Surana	CFO & Company Secretary	Increase in Remuneration 9% Increase in Company Performance 26%

The company performance has increase to 26% for the year under review in comparison to its previous year performance.

- x. the key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy of the Company.
- 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
72,53,053.00	0.00	0.00

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

Annexure “F” to Directors’ Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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:

(a) Research & Development

- | | |
|---|--|
| 1. Specific area in which R & D work has been done by the Company | : Real Time Analytics, MDM, Proximity, Payments, Digital Commerce, Mobile Payments, Testing Automation, Personalized Loyalty in Payments and Merchant Management in the Payments laboratory where all the areas are being integrated. RS School of Payments has expanded itself from courses and certification to nurture knowledge and competence for niche service delivery to offering training in niche areas of electronic payments to players in payments domain. During the year the payment laboratory has been shown to the company’s customers, which generated positive tractions |
| 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 | BI & Data Monetization, Mobile POS, Digital Payments Platform, Architecture and Frameworks, Integrated Digital Commerce Experience, Loyalty |

(b) Technology Absorption, Adaptation and Innovation

- | | |
|--|--|
| 1. Efforts made towards technology absorption, adaptation and innovation | : Research on Digital Payments, Mobile Payments, Real Time Analytics, Tokenization, Payment laboratory, School of Payments |
| 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. |

C. Earnings and Expenditures in Foreign Currency

- | | |
|---|-------------|
| 1. Initiatives like increasing exports, development of new export markets etc. to earnings in foreign currency. | : NIL |
| 2. Earning in Foreign Currency (INR in Lacs) | : 37,600.43 |
| 3. Expenditure in Foreign Currency (INR in Lacs) | : 20,696.07 |

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. Rajasekhar Ramaraj

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.

2. Average Net Profit of the company for last 3 financial years

(Amount in INR Lacs)

Particulars	A	B	C
	Fy2014	Fy2013	Fy2012
Net profit after tax*	5,117.95	3,544.46	2,743.06
‘Add :Expenses Disallowed			
1. Income Tax	2335.51	1517.19	1142.10
2. Compensations, damages or payments made voluntarily	–	–	–
3. Capital Loss on sale of undertaking or part thereof (Not include losses on sale of asset)	–	–	–
4. Dividend from other companies	–	–	–
Free Profit for CSR Activity:	7453.46	5061.65	3885.16
Average Adjusted Net profit : (A+B+C)/3: 5466.76			
Allocable Amount: 2% * Average Adjusted Net profit : ₹109.34 Lacs			

A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

Chairman and Managing Director

Sd/-

Chairman of CSR Committee

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 arm’s 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, 2015, 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 Solution Inc	100%	USA
RS Software (Asia) Pte. Ltd.	100%	Singapore

Key Management Personnel:

Mr. Rajnit Rai Jain	–	Chairman and 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, 2015 Amount (₹ in Lacs)
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon.	
Responsive Solution Inc	174.14
Reimbursing the subsidiary towards service rendered by them at a commission margin.	
R S Software Asia (pte.) Ltd.	3056.22
Reimbursing the Other Cost from subsidiary on actual.	
R S Software Asia (pte.) Ltd.	373.18
Balance as on March 31, 2015 :	
Advance taken against services	
Responsive Solution Inc	NIL
Reimbursement of expenses payable	
RS Software (Asia) Pte Ltd	NIL
Maximum balance outstanding during the year	
Advance taken against services	
Responsive Solution Inc	34.98
Reimbursement of expenses payable	
RS Software (Asia) Pte Ltd	618.28

c) With Related parties

Particulars	March 31, 2015 Amount (₹ in Lacs)
Remuneration to Key Personnel:	
- Directors (Sitting Fees)	16.80
- Managing Director	58.32
- Relative of Managing Director	53.42

(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 on behalf of the Board of Directors

Kolkata
April 17, 2015

Sd/-
Chairman and Managing Director

Annexure "I" to Directors' Report

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 one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. Your Company has five Directors consisting of two Promoter Directors of which one is an Executive Director who is the Chairman & Managing Director, one Women Director who is Non-Executive Non Independent Director and three Non-Executive Independent Directors. During the fiscal 2014-2015 the Board met on 5 occasions as per the statutory requirements as follows:

- 1) April 16, 2014, 2) July 17, 2014, 3) October 17, 2014, 4) November 7, 2014 and 5) January 16, 2015.
- The maximum time gap between any consecutive meetings did not exceed 120 days.

None of the Directors on the Board serve as an Independent Director of more than seven listed companies across all companies under which he 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.

The Composition of the Board of Directors as on March 31, 2015 is in conformity with the provision of revised Clause 49 of the Listing Agreement. The details of the Board of Directors as on March 31, 2015 are as under:

Sl.No.	Directors	DIN	Category
1.	Mr. Shital Kumar Jain	00047474	Independent Director
2.	Mr. Rajasekhar 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. Rajasekhar Ramaraj (DIN 00090279) and Mr. Richard Nicholas Launder (DIN 03375772), as Independent Directors of the Company to hold office for a period of 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 revised Clause 49 of Listing Agreement.

Independent Director Meeting

Independent Directors meeting was held on 16th January, 2015 without the presence of the Chairman & Managing Director and other Non-Executive Non Independent Director. 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 Clause 49(II)(B)(7) of the Listing Agreement, 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.

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 the revised clause 49 of the Listing Agreement with Stock Exchanges.

Based on these criteria, the performance of the Board various Board Committees viz. Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee and 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.

Meetings

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		
	Board Meetings	Category	Last AGM	Other Directorship	Committee Membership #	Committee Chairmanship #
Mr. Rajnit Rai Jain (Chairman & Managing Director)	5	Executive Director	Yes	-	-	-
Mr. Shital Kumar Jain (Director)	5	Non- Executive & Independent Director	No	2	2	-
Mrs. Sarita Jain (Director)	1	Non-Executive & Non Independent Director	Yes	-	-	-
Rajasekhar Ramaraj (Director)	5	Non- Executive & Independent Director	Yes	9	4	2
Mr. Richard Nicholas Launder (Director)	3	Non- Executive & Independent Director	Yes	-	-	-

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 has been uploaded on the website www.rssoftware.com

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 2014-15.

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**

The Audit Committee is constituted by two Non-Executive Independent Directors and 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	Attendance at Audit Committee Meetings
Mr. Shital Kumar Jain (Chairman of the Audit Committee)	Non –Executive & Independent Director	4
Mr. Rajnit Rai Jain	Executive Director	4
Mr. Rajasekhar Ramaraj	Non- Executive & Independent Director	4

Terms of Reference:

The Audit Committee functions as a bridge between the administration of the Company and its Board in all financial and accounting matters including budget. The terms of reference for Audit Committee include:

(i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;

- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls;
- (viii) Monitoring the end use of funds raised through public offers and related matters.
- (ix) Reviewing the functioning of the Whistle Blower Mechanism (Vigil Mechanism).

Audit	April 16, 2014
Committee	July 17, 2014
Meetings	October 17, 2014
held on	January 16, 2015

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

Shareholder's Servicing & Grievance Committee has been renamed as 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. During the Financial Year 2014-15 the Company has not received any complaint from the Shareholders / Investors of the Company and therefore no complaints are pending to be resolved as on date. The constitution of the Committee, number of meetings held and attendance of the members are given below:

Members	Category	Attendance at Stakeholder's Relationship Committee Meetings
Mr. Shital Kumar Jain (Chairman of the Committee)	Non-Executive & Independent Director	4
Mr. Rajnit Rai Jain	Executive Director	4

Stakeholder's Relationship Committee Meetings held on	April 15, 2014
	July 17, 2014
	October 16, 2014
	January 16, 2015

Particulars	Details
Number of shareholders complain received so far	Nil
No. not solved to the satisfaction of shareholders	Nil
No. of pending complains	Nil

SEBI Scores

No complaints are pending to be resolved as on March 31, 2015 date as per SEBI SCORES as well.

E. Nomination & Remuneration Committee:

Composition:

The Nomination & Remuneration Committee of the Company comprises of three Non-Executive Independent Directors and 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:

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	Attendance at Nomination & Remuneration Committee Meetings
Mr. Shital Kumar Jain (Chairman of the Committee)	Non-Executive & Independent Director	4
Mr. Rajnit Rai Jain	Executive Director	4
Mr. Rajasekhar Ramaraj	Non-Executive & Independent Director	4
Mr. Richard Nicholas Launder	Non-Executive & Independent Director	3

Nomination & Remuneration Committee Meetings held on	April 15, 2014
	July 17, 2014
	October 16, 2014
	January 16, 2015

Remuneration Policy

Remuneration policy of the RS 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 behaviour that is focused on long-term value creation, while adopting the highest standards of good corporate governance.

Remuneration paid to the Directors

(in ₹)

Name of the Director	Basic Salary	House Rent Allowance	Retiral Benefit	Other Allowances	Sitting Fees	Total Amount Paid
Mr. Rajnit Rai Jain	3600000.00	1800000.00	432000	1421053.00	-	72,53,053.00
Mr. Rajasekhar Ramaraj	-	-	-	-	580000.00	5,80,000.00
Mr. Shital Kumar Jain	-	-	-	-	700000.00	7,00,000.00
Mrs. Sarita Jain	-	-	-	-	40000.00	40,000.00
Mr. Richard Nicholas Launder	-	-	-	-	360000.00	3,60,000.00

F. Executive committee:

Composition:

The Executive Committee of the Company comprises of three Non-Executive Independent Directors and 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	Attendance at Executive Committee Meetings
Mr. Rajnit Rai Jain (Chairman of the Committee)	Executive Director	4
Mr. Shital Kumar Jain	Non-Executive & Independent Director	4
Mr. Rajasekhar Ramaraj	Non-Executive & Independent Director	4
Mr. Richard Nicholas Launder	Non-Executive & Independent Director	3

Executive Committee Meetings held on	April 15, 2014
	July 17, 2014
	October 16, 2014
	January 15, 2015

G. General Body Meetings

I) Location and time, where last three annual general meetings (AGMs) were held:

Year	Day, Date & time	Venue	Special resolution passed
2011-12	Friday, 13th July, 2012 at 11 AM	Rabindra-Okakura Bhawan, Paschimbanga Bangla Academy, 27A/1 DD Block, Salt Lake City, (Near to City Centre I, Salt Lake), Kolkata – 700 064	NIL
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	Issue of shares under Employee Stock Option Scheme
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

II) Special resolution passed in year 2014-15 through e-voting and postal ballot

There were two Special Resolutions passed on December 31, 2014 as under:

- Sub-division of the face value of the Equity Shares of the Company at ₹5/- each as against ₹10/- each.
- Reclassification of Authorised Share Capital and Consequent Alteration of Memorandum of Association.

The name of the securitizer who conducted the Postal Ballot exercise was Mr. Mohan Ram Goenka, Practicing Company Secretary.

Details of voting pattern - Special Resolution 1.

Particulars	No. of Share (through e-voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid votes (in percentage)
Total No. of votes received	5421897	47955	5469852	Not applicable
Less: No. of Invalid Votes	0	4603	4603	
Net Valid Votes	5421897	43352	5465249	
Votes with assent for the resolution	5421093	43278	5464371	99.9839 (approx.)
Votes with dissent for the resolution	804	74	878	0.0161 (approx.)

Details of voting pattern - Special Resolution 2.

Particulars	No. of Share (through e-voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid votes (in percentage)
Total No. of votes received	5421897	47955	5469852	Not applicable
Less: No. of Invalid Votes	0	4603	4603	
Net Valid Votes	5421897	43352	5465249	
Votes with assent for the resolution	5421132	43264	5464396	99.9844 (approx.)
Votes with dissent for the resolution	765	88	853	0.0156 (approx.)

III) None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

IV) The procedure prescribed under Section 110 of the Companies Act, 2013 read with the rule 22 of the Companies (Management & Administration) Rules, 2014 has been

followed for the postal ballot conducted during the year for the resolution mentioned above. The results of postal ballot were announced by Mr. Vijendra Surana, CFO & Company Secretary of the Company at the Registered Office of the Company on December 31st, 2014 and advertised in the newspapers.

H. Subsidiary Companies

The Company has two wholly owned Subsidiaries; one in USA and the other at Singapore, both are non-listed Companies.

I. 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 said policy is available on the company's website www.rssoftware.com

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation. However, the Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the company which are repetitive in nature and are in the ordinary course of business and at a Arm's length basis, subject to compliance of the conditions contained in clause 49 of the listing agreement.

- **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 behaviour, 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 release employees from their duty of confidentiality in the course of their work, nor it can 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.

- **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 Mach 2015
- The Internal auditor reports to the Audit Committee

J. Means of Communications

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the 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.

- The Company published its audited quarterly results for the year under report in the Business Standard (in English – All India editions) and in Aajkaal (Vernacular) and also displayed them at its website: www.rssoftware.com.

Auditor's Certificate

To the Members of
R S Software India Limited
Kolkata

We have examined the compliance of conditions of Corporate Governance by R S Software (India) Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chaturvedi & Company
Chartered Accountants
Reg. No. 302137E

Nilima Joshi
Partner
Mem. No. 52122

Place: Kolkata
Date: 17th April, 2015

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 2015 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.

Place: Kolkata

Date: April 17, 2015

Sd/-

Rajnit Rai Jain

Chairman & Managing Director

Sd/-

Vijendra Kumar Surana

Chief Financial Officer & Company Secretary

General Information for Shareholders and Investors

Corporate HQ & Registered Office	"FMC FORTUNA", 1st Floor, A-2, 234/3A, AJC Bose Road, Kolkata - 700 020 Phone # 033 - 22876254/6255 / 2281 0106-09 Fax # 033- 22876256 Website: www.rssoftware.com
Date and Venue of Annual General Meeting	11:30 AM on July 10, 2015 At "RABINDRA TIRTHA", 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata – 700 0156
Tentative Calendar of Events for the Financial Year 2015-16 (April – March)	First Quarter - July 2015 Second Quarter - October 2015 Third Quarter - January 2016 Financial Year - April 2016
Shareholders Services, Enquiries, Complaints	Mr. Vijendra Kumar Surana vijendras@rssoftware.co.in OR Mr. Anindya Sen anindyasen@rssoftware.co.in
Registrars & Share Transfer Agent	C.B. Management Services (P) Ltd. P- 22, Bondel Road, Kolkata – 700 019 Phone # 033-22806692 - 94 / 2486 / 2937 Fax # 033-22870263
Book Closure for AGM	4th July, 2015 to 10th July, 2015 (both days inclusive)
Listing on Stock Exchanges of	Bombay Stock Exchange Ltd. 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.
Trading of Equity Shares	Equity Shares are traded through : a. National Securities Depository Ltd (NSDL) and b. Central Depository Services Ltd (CDSL). Company's ISIN: INE165B01029
Auditors:	Chaturvedi & Company Chartered Accountants, 60, Bentinck Street, Kolkata.
Bankers:	Axis Bank Ltd ICICI Bank Ltd Yes Bank Ltd HDFC Bank Ltd
Attorneys & Solicitors:	Sandersons & Morgans Royal Insurance Buildings, 5, Netaji Subhas Road, Kolkata

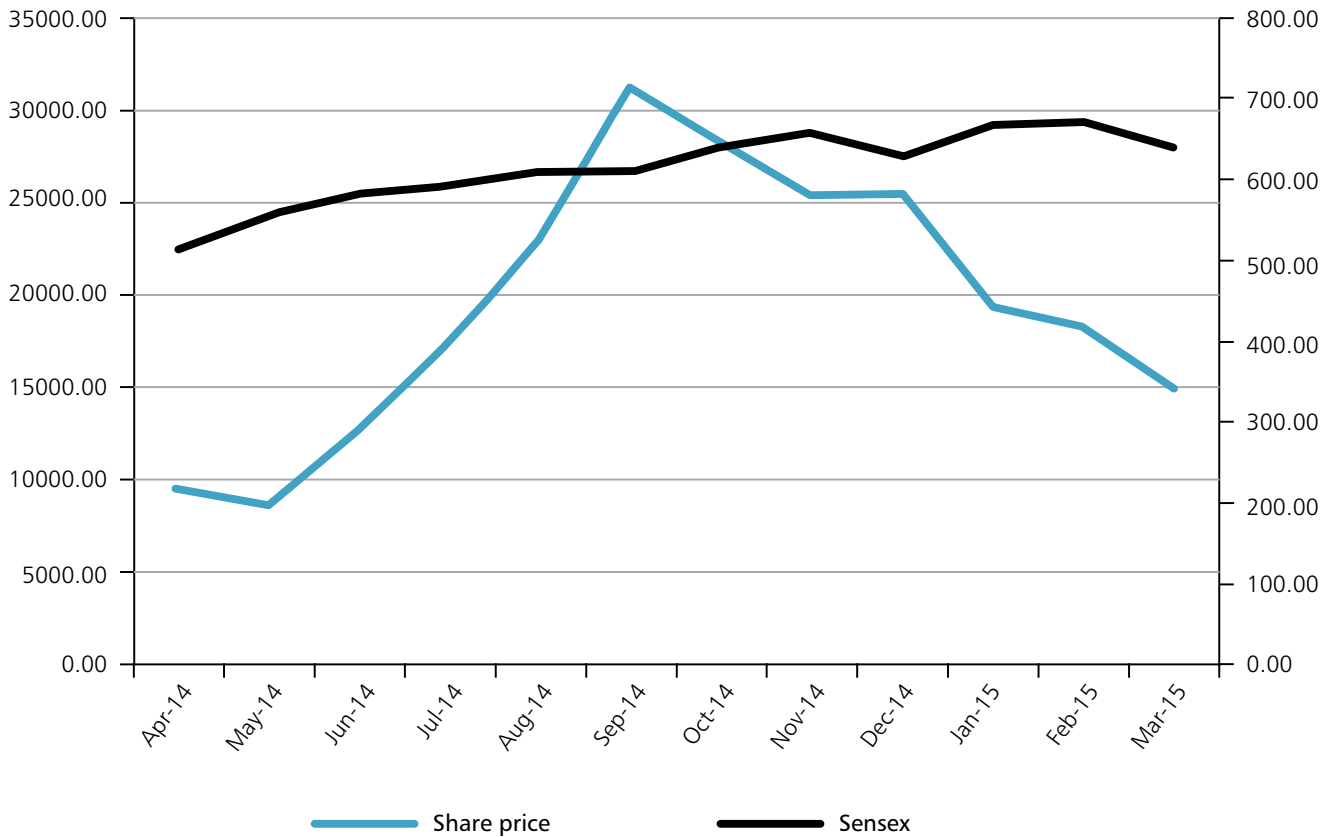
Monthly High, Low & Closing Share Price at BSE

Month	High	Low	Close
	Price	Price	Price
Apr-14	233.90	173.15	217.85
May-14	221.50	173.50	197.20
Jun-14	301.40	193.45	292.00
Jul-14	429.80	281.00	400.40
Aug-14	585.50	373.15	527.15
Sep-14	830.00	520.00	713.85
Oct-14	770.00	604.00	644.35
Nov-14	678.90	570.20	578.05
Dec-14	589.60	462.05	580.20
Jan-15	647.50	216.75	221.20
Feb-15	266.00	196.40	209.50
Mar-15	225.90	154.90	170.90

Monthly High, Low & Closing Share Price at NSE

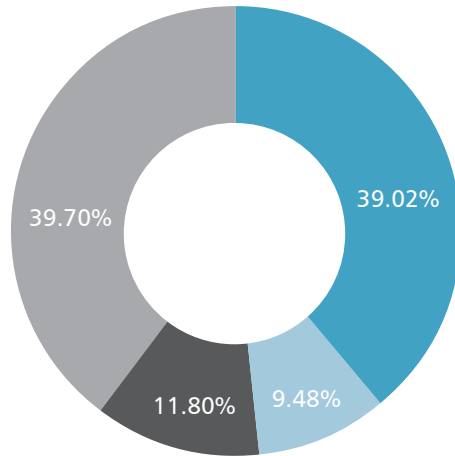
Month	High	Low	Close
	Price	Price	Price
Apr-14	234.00	173.55	218.50
May-14	222.50	174.00	197.00
Jun-14	302.00	193.05	293.00
Jul-14	429.90	281.00	401.05
Aug-14	585.80	373.00	527.10
Sep-14	830.00	520.30	713.75
Oct-14	770.00	603.00	644.00
Nov-14	678.90	570.10	578.30
Dec-14	589.00	467.15	580.15
Jan-15	647.40	216.60	220.70
Feb-15	266.50	196.80	209.25
Mar-15	226.00	155.10	170.50

RS Share Price with BSE Sensex



Pattern of Shareholding as on March 31, 2015

Category	% of Shareholding
Promoters, Directors & Relatives	39.02
FIs, NRIs & OCB	9.48
FIs, Bank, MF & Bodies Corporate	11.80
Resident Individuals	39.70
Total	100.00



Distribution of Equity Shareholding as on 31.03.2015

Range	No. of Shareholders	% to Total Shareholders	Issued Share Capital	% to Total Share Capital
1-500	19652	82.49	13516610.00	10.53
501-1000	2294	9.63	8010180.00	6.24
1001-2000	1002	4.21	7243280.00	5.64
2001-3000	310	1.30	3914955.00	3.05
3001-4000	163	0.68	2926120.00	2.28
4001-5000	92	0.39	2119640.00	1.65
5001-10000	161	0.67	5868765.00	4.57
10001 & ABOVE	149	0.63	84792040.00	66.04
TOTAL	23823	100.00	128391590.00	100.00

Financial **section**

INDEPENDENT AUDITOR'S REPORT

Report on the Standalone Financial Statements

To
The Members of
M/s. R S Software (India) Limited

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, 2015, 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015 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 2015 issued by the Central Governance of India in terms of sub section 11 of section 143 of the Act we given in the Annexure a Statement on the matters specified in paragraph 3 and 4 of the order to extent applicable.
- (ii) As required by Section 143(3) of the Act, we report that :
- 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.
 - 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.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors

is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the other matters to be includes 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 :
- The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - The Company does not have any long term contracts including derivation contract for which there are any material foreseeable losses.
 - 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 : 17.04.2015.

Annexure to the Independent Auditors Report referred to in the paragraph "Under Report on Other Legal and Regulatory Requirements" section of our Report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit 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.
- ii. The Company being a service company does not have any inventory and as such matters specified in clauses (ii)(a), (b) & (c) of paragraph 3 of the order do not apply to the company.
- iii. 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.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and therefore, the provisions contained in Section 73 to 76 or any other relevant provisions of the Companies Act, 1956 and Rules framed there under are not applicable to the company. According to the information and explanation given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of deposits.
- vi. The Central Government has not prescribed for the maintenance of cost records under Section 148(1) of the Companies Act, 1956 for 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, wealth tax, service tax, custom duty, vat, cess and other material statutory dues applicable to it. No statutory dues were outstanding, as at 31st March 2015 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, wealth tax, service tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, as at 31st March 2015 on account of any dispute.
- c) According to the information and explanations given to us no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013.
- viii. The Company does not have accumulated losses as at 31st March 2015 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and on the information and explanations given by the Management, the Company has no dues to the financial institution or bank nor has it issued any debentures.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. According to the information and explanations given to us, the Company has not raised any term loan during the year.
- xli. Based on information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Chaturvedi & Company
Chartered Accountants
(Firm Reg. No. 302137E)

Nilima Joshi
Partner
Mem. No. 52122

Place : Kolkata
Date : 17.04.2015.

Balance Sheet As At March 31 '2015

(₹ in Lac)

Particular	Note	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
(a) SHARE CAPITAL	3	1,283.92	1,280.48
(b) RESERVE & SURPLUS	4	20,035.26	15,300.90
2 NON-CURRENT LIABILITIES			
(a) LONG TERM PROVISIONS	7	323.47	434.92
3 CURRENT LIABILITIES			
(a) SHORT TERM PROVISIONS	7	474.79	392.26
(b) TRADE PAYABLES	8	822.02	1,182.64
(c) OTHER CURRENT LIABILITIES	9	222.80	376.48
TOTAL (1+2+3)		23,162.27	18,967.68
II. ASSETS			
1 NON CURRENT ASSETS			
(a) FIXED ASSETS			
(i) TANGIBLE ASSETS	10	1,057.53	1,631.18
(ii) INTANGIBLE ASSETS	11	143.85	150.13
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT	12	73.81	73.81
(b) NON CURRENT INVESTMENT	13	2,671.45	3,408.14
(c) DEFERRED TAX ASSETS (Net)	6	101.52	6.52
(d) LONG TERM LOANS & ADVANCES	14	2,170.75	3,351.46
2 CURRENT ASSETS			
(a) SHORT TERM LOANS AND ADVANCES	14	1,100.37	481.24
(b) CURRENT INVESTMENT	15	4,077.35	2,017.31
(c) TRADE RECEIVABLES	16	4,619.31	4,635.84
(d) CASH & CASH EQUIVALENTS	17	6,840.63	3,041.74
(e) OTHER CURRENT ASSETS	18	305.71	170.31
TOTAL (1+2)		23,162.27	18,967.68

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

Dated: April 17th, 2015

Place : Kolkata

V. Surana
CFO & Company
SecretaryS. K. Jain
Director
DIN : 00047474R. R. Jain
Chairman
& Managing Director
DIN : 00122942

Statement of Profit and Loss Account For The Year Ended March 31 '2015

(₹ in Lac)

Particulars	Note	Year ended March 31, 2015	Year ended March 31, 2014
I REVENUE FROM OPERATION	21	34,550.63	35,188.20
II OTHER INCOME	22	1,160.61	711.17
III TOTAL REVENUE		35,711.24	35,899.37
IV EXPENSES :			
EMPLOYEE BENEFIT EXPENSES	23	16,835.63	18,301.83
SUBCONTRACTOR EXPENSES		4,805.63	5,511.38
FINANCE COST	24	37.03	85.96
DEPRECIATION	10 & 11	554.83	547.67
OPERATION AND OTHER EXPENSES	25	3,853.55	3,991.87
	Total	26,086.67	28,438.71
V PROFIT BEFORE TAX :	(III - IV)	9,624.57	7,460.66
VI TAX EXPENSES			
PRIOR PERIOD TAX		-	0.47
CURRENT TAX		3,121.39	2,335.51
DEFERRED TAX		9.65	6.73
VII PROFIT FOR THE PERIOD :	(V - VI)	6,493.53	5,117.95
Face Value of share		5.00	10.00
VIII EARNING PER EQUITY SHARE :	34		
BASIC		25.31	41.08
DILLUTED		25.29	40.93
RESTATED EPS FOR PREVIOUS YEAR on face value of INR 5 Each :			
BASIC		-	20.54
DILLUTED		-	20.47
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

Dated: April 17th, 2015

Place : Kolkata

V. Surana
CFO & Company
Secretary

S. K. Jain
Director
DIN : 00047474

R. R. Jain
Chairman
& Managing Director
DIN : 00122942

Cash Flow Statement For The Year Ended March 31 '2015

(₹ in Lac)

PARTICULARS	Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW STATEMENT		
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	9,624.57	7,460.66
ADJUSTMENT FOR :		
DEPRECIATION	554.83	547.67
INTEREST PAID	37.03	85.96
FOREIGN EXCHANGE FLUCTUATION RESERVE	(46.74)	412.78
PROVISION FOR GRATUITY, LEAVE ENCASHMENT	77.11	88.90
INTEREST RECEIVED	(547.54)	(247.33)
DIVIDEND RECEIVED	(29.28)	(60.35)
EMPLOYEES EXPENSES AMORTIZATION	(119.13)	(69.38)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,550.83	8,218.95
ADJUSTMENT FOR :		
TRADE AND OTHER RECEIVABLES	16.53	(867.07)
LOANS AND ADVANCES AND OTHER ASSETS	(3,140.98)	(2,933.16)
TRADE PAYABLES & OTHER LIABILITIES	(514.29)	505.44
CASH GENERATED FROM OPERATIONS	5,912.09	4,924.16
CASH FLOW BEFORE EXTRAORDINARY ITEMS	5,912.09	4,924.16
NET CASH FROM OPERATING ACTIVITIES	5,912.09	4,924.16
B CASH FLOW FROM INVESTMENT ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(282.80)	(1,149.63)
INTEREST RECEIVED	547.54	247.33
DIVIDEND RECEIVED	29.28	60.35
INVESTMENT MADE DURING THE YEAR	(1,323.34)	(2,449.25)
NET CASH FROM INVESTMENT ACTIVITIES	(1,029.32)	(3,291.20)
C CASH FLOW FROM FINANCE ACTIVITIES:		
PROCEEDS FROM SHARE APPLICATION	19.65	289.00
INTEREST PAID	(37.03)	(85.96)
DIVIDEND AND DIVIDEND TAX PAID	(991.50)	(800.98)
PAYMENT OF CSR FUND	(75.00)	(50.00)
NET CASH FROM FINANCING ACTIVITIES	(1,083.88)	(647.94)
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3,798.89	985.02
OPENING CASH AND CASH EQUIVALENTS	3,041.74	2,056.72
CLOSING CASH AND CASH EQUIVALENTS	6,840.63	3,041.74

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

Dated: April 17th, 2015

Place : Kolkata

V. Surana

CFO & Company

Secretary

S. K. Jain

Director

DIN : 00047474

R. R. Jain

Chairman

& Managing Director

DIN : 00122942

Notes on Accounts For The Year Ended March 31 '2015

1 CORPORATE INFORMATION

RS 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 encased 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 Translation

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 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

Notes on Accounts (contd.) For The Year Ended March 31 '2015

operation 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.

3 SHARE CAPITAL

(₹ in Lac)

	March 31, 2015	March 31, 2014
a The AUTHORISED CAPITAL is :		
40,000,000 EQUITY SHARE OF ₹5/- EACH	2,000.00	2,000.00
2,500,000 PREFERENCE SHARE OF ₹100/- EACH	2,500.00	2,500.00
	4,500.00	4,500.00
b ISSUED SUBSCRIBED AND PAID-UP-FULLY CALLED AND PAID UP		
25,678,318 EQUITY SHARE OF ₹5/- EACH (Previous Year 1,28,04,834 shares of ₹10/- each)	1,283.92	1,280.48
	1,283.92	1,280.48

Notes on Accounts (contd.) For The Year Ended March 31 '2015

The company has only one class of Shares referred to as equity share having a par value of ₹10/- 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 INR 10 to INR 5 per share during FY 14-15. The transaction completed on 23rd Jan '2015.

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, 2015		March 31, 2014	
	No. of Share	₹ in Lac	No. of Share	₹ in Lac
	12,804,834	1,280.48	12,109,537	1,210.95
Number of shares at the beginning			595,000	59.50
Add : Shares issued as Preferential Allotment			-	-
Add : Shares issued as Bonus	34,325	3.43	91,925	9.19
Add : Shares issued on exercise of Employee Stock option				
Add : Bonus Shares issued on Employee Stock option	12,839,159	-	8,372	0.84
Add : Share issued as a part of subdivision of shares	25,678,318	1,283.91	12,804,834	1,280.48

d SHAREHOLDER HOLDING MORE THAN 5% OF THE SHARE as on MARCH 31, 2015

	March 31, 2015	March 31, 2014
Mr. Rajnit Rai Jain	9,458,015 Shares of ₹5 each	4,737,807 Shares of ₹10 each
	(36.83% of total shareholding)	(37.00% of total shareholding)

e Employee Stock option Plan

The Company has granted 105,100 options of shares of face value INR 10 each to the employees during the year 2010-11 at the fair value of and the exercise price of the option is ₹49.55 each. As on date only 40075 option has been exercised and 44,450 options has been lapsed due to leaving of employees. As on date 20,575 shares options is lapsed due to expiry of exercise period.

The Company has granted 75000 options of shares of face value INR 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) 15,000 shares. As on date 15000 Options of INR 10 each (30000 options after subdivision of shares of face value INR 5 each)) are outstanding to be exercised.

The Company had granted 10000 options of share of face value INR 10 each to one employee to be convertible into one equity share each, on 8th January' 2013 at the exercise price of ₹191.7 each. The same was to be exercised after one year from the date of approval in four equal instalments. This same has lapsed due to leaving of employee and no option is outstanding as on date.

f Application Money Received Against Convertible Share Warrants on Preferential Basis

The Company has issued 1,550,000 convertible warrants on preferential basis to Mr. Rajnit Rai Jain at a price of ₹51.86 each to be converted into one equity share each of ₹10 each in January '2012 which was allotted on 26th March'2012. All 15,50,000 warrants has been converted into equity share capital.

Notes on Accounts (contd.) For The Year Ended March 31 '2015**4 RESERVE AND SURPLUS**

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
SHARE FORFEITURE		
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
SECURITIES PREMIUM ACCOUNT		
Balance at the beginning of the year	2,558.95	2,261.51
Add : Receipts on exercise of Preferential Allotment	-	258.20
Add : Receipts on exercise of employee stock options	16.22	39.24
Closing Balance	2,575.17	2,558.95
PREFERENCE SHARE REDEMPTION RESERVE		
Balance at the beginning of the year	255.31	256.15
Add : Transfer from Profit & Loss A/c	-	
Less : Distributed as Bonus Share	-	(0.84)
Closing Balance	255.31	255.31
CSR FUND		
Balance at the beginning of the year	85.00	65.00
Add : Transfer from Profit & Loss A/c*1	109.40	70.00
Less : Transfer to Donation	(75.00)	(50.00)
Closing Balance	119.40	85.00
SURPLUS IN STATEMENT OF PROFIT AND LOSS ACCOUNT		
Balance at the beginning of the year	11,894.23	7,737.82
Less : MAT Credit reversed for earlier years	(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	6,493.53	5,117.95
	17,738.72	12,855.77
Less Appropriations :		
Interim Equity Dividend *2	(512.82)	(446.98)
(INR 4 per share, Previous year INR 3.5 per share)		
Proposed Final Equity Dividend	(320.98)	(320.12)
(INR Nil per share, Previous year INR 2 per share)		
Equity Dividend Tax	(170.81)**	(124.44)
Trf to CSR Fund *1	(109.40)	(70.00)
Closing Balance	16,624.71	11,894.23
INTER BRANCH FOREIGN FLUCTUATION RESERVE		

Notes on Accounts (contd.) For The Year Ended March 31 '2015

4 RESERVE AND SURPLUS (contd.)

(₹ in Lac)

	March 31, 2015	March 31, 2014
Balance at the beginning of the year	463.91	51.13
Add : Fluctuation during the period	(46.74)	412.78
Closing Balance	417.17	463.91
	20,035.26	15,300.90

*1 In computation of CSR Amount branch profit is also being considered.

*2 The Company has declared an interim Dividend @ INR 1 per share on 17.07.2014, INR 1.5 per share on 16.10.2014 and ₹1.5 per share on 16.1.15 during the FY 14-15. (in FY 13-14 Interim Dividend @ ₹2.5 per share was declared on 18.10.13 and @ ₹1 per share declared on 16.1.14. Final div of ₹2.5 per share pertaining to Fy 13-14 was paid in July '14 after due approval of Shareholders.)

** It include for ₹5.46 lac div tax for earlier years.

6 Deferred tax Assets / (Liability) - NET

(₹ in Lac)

	March 31, 2015	March 31, 2014
	101.52	6.52
DTL on Account of Fixed Assets	81.78	165.36
DTA on Account of Accrued Employee benefits and B/f other Losses	206.61	171.88
NET DEFERRED TAX ASSETS / (LIABILITY)	124.82	6.52

7 PROVISIONS

(₹ in Lac)

	Long Term Provision		Short Term Provision	
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
PROVISION FOR LEAVE ENCASHMENT *	64.38	86.95	16.68	3.20
PROVISION FOR GRATUITY *	259.09	347.97	72.95	17.01
PROVISION FOR PROPOSED EQ DIVIDEND	-	-	320.98	320.12
PROVISION FOR PROPOSED DIVIDEND TAX	-	-	64.18	51.93
* (Refer note 32)				
	323.47	434.92	474.79	392.26

8 TRADE PAYABLE (SHORT TERM)

(₹ in Lac)

	March 31, 2015	March 31, 2014
Other Than Acceptances	822.02	1,182.64
(refer note no. 33 for MMSE details)		
	822.02	1,182.64

9 OTHER CURRENT LIABILITIES

(₹ in Lac)

	March 31, 2015	March 31, 2014
SALARY PAYABLE	70.51	119.39
STATUTORY LIABILITY including PF, TDS, ESI etc.	151.15	253.97
OTHER PAYABLES	1.15	3.12
	222.80	376.48

Notes on Accounts (contd.) For The Year Ended March 31 '2015

10 DETAILS OF TANGIBLE ASSETS

(₹ in Lac)

Particulars	LAND	BUILDING	LEASE BUILDING EXPENSES	PLANT AND MACHINERIES	OFFICE EQUIPMENT	AIR CONDITIONER	ELECTRICAL INSTALLATIONS	FURNITURE AND FITTINGS	MOTOR VEHICLES	TOTAL 31.3.2015	TOTAL 31.3.2014
Gross Block											
Opening Balance	7.76	173.68	-	6,759.45	248.76	153.22	326.82	762.32	66.06	8,498.07	7,973.27
Additions during the period	-	-	-	34.03	58.35	18.06	0.85	1.60	-	112.89	687.01
Acquisitions through Business combination	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	19.03	-	4,907.62	102.39	46.64	116.48	209.98	13.27	5,415.41	
Sub-total	7.76	154.65	-	1,885.86	204.72	124.64	211.19	553.94	52.79	3,195.55	8,641.21
Less: Disposals	-	-	-	-	2.45	-	3.12	-	-	5.57	
Gross block as on closing	7.76	154.65	-	1,885.86	202.28	124.64	208.07	553.94	52.79	3,189.98	8,641.21
Less: Depreciation / Amortization											
Opening depreciation / amortization	-	44.73	-	6,093.45	90.20	58.10	125.33	421.02	34.07	6,866.89	6,801.17
Depreciation/ Amortization of the period	-	4.09	-	221.75	26.26	5.42	41.42	68.13	5.99	373.06	221.66
Other Adjustments (Assets Physically Present)	-	15.38	-	-	96.83	39.29	51.37	101.23	3.80	307.90	
Other Adjustments (Assets not Physically Present)	-	-	-	-	-	-	-	-	-	-	12.80
Impairment loss/Reversal of Impairment Loss	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	19.03	-	4,907.62	102.39	46.64	116.48	209.98	13.27	5,415.41	
	-	45.17	-	1,407.59	110.89	56.17	101.65	380.39	30.59	2,132.45	7,010.03
	-	-	-	-	-	-	-	-	-	-	-
Net Carrying Value (Closing)	7.76	109.48	-	478.27	91.38	68.46	106.42	173.55	22.20	1,057.53	1,631.18
Net Carrying Value Previous Year	7.76	128.95	-	666.00	158.57	95.12	201.49	341.30	32.00	1,631.18	1,172.10

Note:

- Land includes Leasehold land amounting to ₹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 3 years which was extended for further period of 3 years till April 2015. Company has spent an amount of ₹89.83 lac and ₹49.99 lac which were amortised over the respective period of lease.
- As on 1st April 2014 the management based on internal technical evaluation has reassessed the remaining use full life of all the assets in conformity with the use full life of assets as given in the companies act 2013. The carrying amount of the assets has been taken after retaining the residual value of assets and charging of the difference of ₹307.90 lac to opening balance of Profit and loss (retained earning). Had the company continued with the previous rate of depreciation, the depreciation for the year ending March, 2015 would have been Lower by ₹7.15 Lac for assets held as on 31st March '2015. Accordingly the deferred tax of ₹104.65 (33.989% of INR 307.90Lac) Lac made by these changes have also been adjusted to the opening balance of Profit & Loss Account (Retained Earning).

Notes on Accounts (contd.) For The Year Ended March 31 '2015

11 DETAILS OF INTANGIBLE ASSETS

Particulars	(₹ in Lac)	
	TOTAL 31.3.2015	TOTAL 31.3.2014
	COMPUTER SOFTWARE & LICENCES	COMPUTER SOFTWARE & LICENCES
Gross Block		
Opening Balance	1,209.30	777.02
Additions during the period	175.49	432.27
Acquisitions through Business combination	-	
Other Adjustments	862.29	
Sub-total	522.49	1,209.30
Less: Disposals	-	-
Gross block as on closing	522.49	1,209.30
Less: Depreciation / Amortization		
Opening depreciation / amortization	1,059.17	733.16
Depreciation/Amortization of the period	181.77	326.02
Impairment loss/Reversal of Impairment Loss	862.29	
	378.65	1,059.17
Net Carrying Value (Closing)	143.85	150.13
Net Carrying Value Previous Year	150.13	43.87

12 INTANGIBLE ASSETS UNDER DEVELOPMENT

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
ERP IMPLEMENTATION	73.81	73.81
	73.81	73.81

13 NON-CURRENT INVESTMENTS (AT COST)

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
SALARY PAYABLE	70.51	119.39
(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 SOLUTION INC.	163.30	163.30
(500 no.(Previous year 500 no.) Equity Share of USD 0.01 each fully paid up)		
	171.32	171.32
Less: Provision for Diminution in value of investments *	-	163.29
(For Responsive Solution Inc.)		
(Aggregate amount of investment as on MARCH 31, 2015 INR 171.32 Lac) (As on MARCH 31, 2014 INR 8.03 Lac)	171.32	8.03

Notes on Accounts (contd.) For The Year Ended March 31 '2015**13 NON-CURRENT INVESTMENTS (AT COST) (contd.)**

(₹ in Lac)

	No. of unit	March 31, 2015	No. of unit	March 31, 2014
In Mutual Fund -				
Reliance Fixed Horizon Fund - XXV- series 14 - Growth plzn	3000000	300.00		
HDFC FMP 371D December 2013 (2) series 29 - Direct growth	NIL		4000000	400.00
HDFC FMP 554D NOV 2013-1-DIRECT-GR	3000000	300.00	3000000	300.00
ICICI Prudential Fixed Maturity Plan - Series 67	NIL		3000000	300.00
ICICI PRUDENTIAL FMP SERIES 71- 480 DAYS	3000000	300.00	3000000	300.00
Reliance Fixed Horizon Fund - Xxiii- series 4 - Growth plan	NIL		3000000	300.00
Reliance Fixed Horizon Fund - Xxiii- series 5 - Growth plan	NIL		2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 11 - Growth plan	3000000	300.00	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 12 - Growth plan	3000000	300.00	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 13 - Growth plan	2000000	200.00	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	4001173	400.12	4001173	400.11
(Aggregate NAV of Mutual Fund as on MARCH 31, 2015 INR 2761.9) (as on 'MARCH 31, 2014 INR 3535.63 lac)				
		2,671.45		3,408.14

* The provision of diminution in Investment value has been written back in current fiscal as net worth of the subsidiary is positive. (Previous Year : The credit of above diminution in value has not been considered in current fiscal and kept in hold for one year so as to ensure that the appreciation is not other than temporary in nature when written back. The value of the investments made by the company in its subsidiary Responsive solution Inc. were dominated by ₹1.6 crore, during the period of 2002 to 2004 only when the erosion of Subsidiary which has started since 1998 were considered , other than temporary.)

14 LOANS AND ADVANCES

(₹ in Lac)

	Long Term Loans & Advances		Short Term Loans & Advances	
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
(Unsecured and Considered good)				
LOAN				
(Recoverable in cash or in kind or for value to be received)				

Notes on Accounts (contd.) For The Year Ended March 31 '2015

14 LOANS AND ADVANCES (contd.)

(₹ in Lac)

	Long Term Loans & Advances		Short Term Loans & Advances	
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
ADVANCE TO R S EMPLOYEE WELFARE TRUST	1,300.00	1,500.00	-	-
ADVANCES				
(Recoverable in cash or in kind or for value to be received)				
ADVANCE AGAINST EXPENSES	-	-	2.55	3.73
PREPAID EXPENSES	26.56	34.92	379.34	314.72
DEPOSITS	71.15	156.27	69.39	-
ADVANCE TO STAFF	-	-	16.01	15.93
ADVANCE TAXES (Net of Provisions)	478.65	1,422.46	479.73	-
BALANCES WITH GOVT. AUTHORITIES	294.40	237.81	153.35	146.86
	2,170.75	3,351.46	1,100.37	481.24

15 CURRENT INVESTMENT

(₹ in Lac)

	No. of unit	March 31, 2015	No. of unit	March 31, 2014
(At Cost or Fair value whichever is less)				
Investment in Mutual Fund (Others - unquoted)				
HDFC Floating Rate Income fund ST plan	77017941	750.00	-	-
Kotak Bond (Short Term) - Direct Plan - Growth	30551983	300.00	-	-
Reliance Liquidity Fund DDD,	215912	2.12	-	-
Franklin India Treasury Management - Super Institution Plan	25058165	250.00	-	-
Birla Sun Life cash plus -D DIP	20037721	200.00	-	-
SBI Magnum Income Fund - Direct - Growth	30018145	300.00	-	-
Reliance Floating rate Fund -ST Plan- Direct Growth	42153743	400.00	-	-
Franklin India Low duration Fund - Direct	36338204	350.00	-	-
SBI Magnum Gilt Fund - LT - Direct - Growth	43410479	400.00	-	-
Reliance Dynamic Bond Fund - Growth Plan (NI-GP)	50621880	400.10	2663580	400.10
IDFC - SSIF - Inv Plan- Plan A - Growth Option	25373906	200.00	742539	200.00
Reliance Interval Fund- Qtrly Plan- Series 1 - DWP	-	-	1165087	200.00
Reliance Interval Fund- Qtrly Plan- Series II - DWP	-	-	2028139	350.00
DSB BlackRock Strategic Bond Fund -	29637862	250.00	17595	250.00
JM High Liquidity Fund (Direct) - DDO	27512590	275.13	2948649	307.55
Religare Ultra Short Term Fund - Direct Plan Daily Dividend	-	-	30956	309.66
(Aggregate NAV of Mutual Fund as on MARCH 31, 2015 ₹4379.49 Lac) (as on 'MARCH 31, 2014 ₹2087.22 Lac)				
		4,077.35		2,017.31

Notes on Accounts (contd.) For The Year Ended March 31 '2015**16 a. TRADE RECEIVABLES**

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
(Unsecured and Considered good)		
Trade Receivable for a period exceeding Six Months	-	-
Others	4,619.31	4,635.84
	4,619.31	4,635.84

b. UNBILLED REVENUE:

Unbilled revenue included in Trade receivable valued as on MARCH 31, 2015 amounts to ₹3691.90 lac (March 31 '2014 ₹2921.92 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, 2015 ₹10.07 Lac (March 31' 2014 ₹1244.78 Lac)10.07

17 CASH AND BANK BALANCE

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
CASH & CASH EQUIVALENTS		
CASH IN HAND	0.38	0.34
Fixed Deposits with Yes Bank- with original maturity less than 3 Months	-	
BALANCE WITH BANK :		
SCHEDULED BANKS		
- in Current Account (Axis bank & Allahabad Bank)	15.81	9.22
- in Current Account (HDFC Bank)	2.24	8.88
- in Current Account (ICICI Bank)	45.04	13.11
- in Current Account (YES Bank)	54.14	10.16
FOREIGN BANK		
- in Current Account (Bk of America, Silicon Valley Bk, ICICI Bk UK Ltd.)	317.64	167.95
OTHER BANK BALANCES		
FIXED DEPOSITS - with original maturity less than 12 Months		
Fixed Deposits with Yes Bank	6,190.80	2,801.00
Fixed Deposits with ICICI Bank	201.09	-
In margin Money deposits against guarantees (in lien)		
Axis Bank	5.67	23.35
ICICI Bank	0.10	-
Allahabad Bank	7.73	7.73
	6,840.63	3,041.74

The Company has Ten Dividend Accounts being balances comprising of amount of ₹52.34 Lac which are still unpaid since FY 10-11. The same is not included in current assets and Current Liabilities of the company.

Notes on Accounts (contd.) For The Year Ended March 31 '2015

18 OTHER CURRENT ASSETS

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
INTEREST ACCRUED ON R S EMPLOYEE WELFARE TRUST	234.05	154.80
INTEREST ACCRUED ON FIXED DEPOSITS	71.66	15.51
	305.71	170.31

19 CONTINGENT LIABILITIES

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
(To the extent not provided for in the books)		
Guarantee Outstanding	5.20	23.35
Invoice Funding with Silicon Valley Bank	1,122.45	496.33

20 COMMITMENTS

a. Other Commitment

Company has a lease agreement for the premises of Saltlake City, Sector V, Kolkata, The Lease will be expiring on 30th April'15 which is renewable with the consent of both the parties. For detail please ref note no. 31 below.

Company has spent ₹73.81 lac (March '14 ₹73.81 Lac) towards ERP implementation as on MARCH 31, 2015 which is still under development stage by in house team.

21 REVENUE FROM OPERATION

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
SALE OF SOFTWARE SERVICES		
Export Income	34,504.40	35,134.50
Domestic Income	46.23	53.70
	34,550.63	35,188.20

22 DETAILS OF OTHER INCOME

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Interest Received from Bank & Other Investment	547.54	247.33
(including TDS ₹54.74 Lac (previous year ₹ 24.60 lac)		
Net gain on Investments in Mutual Funds	213.09	187.00
Dividend Income	29.28	60.35
Interest from Employee Welfare Trust	123.12	131.25
(including TDS ₹12.31 Lac (previous year ₹13.12 lac)		
Interest from Income Tax Refund	20.13	8.80
Other Non-operating Income From Subsidiary	19.23	20.63
Other Income	4.38	-
Provision on subsidiary written back	163.29	
Liability no longer required written back	40.55	55.81
	1,160.61	711.17

Notes on Accounts (contd.) For The Year Ended March 31 '2015**23 EMPLOYEE BENEFIT EXPENSES**

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Salary Wages And Bonus	15,475.73	16,791.77
Contribution to PF And Other Funds	394.16	373.96
Staff Welfare Expenses	965.74	1,136.10
	16,835.63	18,301.83

24 FINANCE COST

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Interest Expenses	15.55	55.01
Interest Paid on dividend tax	0.41	3.96
Other Borrowing Cost	21.07	26.99
	37.03	85.96

25 OPERATION AND OTHER EXPENSES

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Travelling	1,344.67	1,293.52
Conveyance	97.34	50.75
Staff Welfare	139.09	145.59
Communication	389.90	290.12
Printing and Stationery	22.55	43.33
Electricity and Power	171.26	174.00
Rent - Apartment & Ground	444.60	552.85
Repairs - Machinery	182.29	211.42
Repairs - Building	86.34	101.21
Repairs - Others	3.52	0.46
Education and Training Expenses	17.76	9.39
insurance	132.27	121.87
Auditors' Remuneration - Refer Note no.25	3.70	3.66
Books and Periodicals	6.87	0.47
Directors' Fees *	18.88	9.00
Rates & Taxes	223.42	225.20
Legal / Professional Fee	116.12	13.04
Consultancy Charges	227.33	285.79
Recruitment & Relocation Expenses	49.85	151.03
General and Board Meeting expenses	21.85	36.38
Membership and Subscription	23.87	26.16
Business Promotion	80.08	169.64
Advertisement	29.39	16.39
Seminar & Conferences	-	0.30
Advances written off	-	3.77
Donation	-	0.50
Net loss on Foreign currency Transaction	17.48	51.67
Loss on Discard of Assets	3.12	4.36
	3,853.55	3,991.87

* Its inclusive of service tax for current year

Notes on Accounts (contd.) For The Year Ended March 31 '2015

26

(₹ in Lac)

	March 31, 2015	March 31, 2014
Income Tax deducted on domestic income	4.62	6.03

27 AUDITOR'S REMUNERATION

(₹ in Lac)

	March 31, 2015	March 31, 2014
As Statutory Auditors	2.50	2.25
Tax Audit	0.50	0.50
Other certification	1.13	0.90
The above remunerations are not inclusive of service tax as applicable		
	4.14	3.65

28 PRIOR PERIOD EXPENSES INCURRED

(₹ in Lac)

Particulars	March 31, 2015	March 31, 2014
Employee benefit Expenses	-	0.32
Repair & Maintenance	-	0.46
Professional fee	-	0.34
Business Promotion	-	0.85
	NIL	1.97

29 There is no Impairment of assets during the year ended MARCH 31, 2015.

30 The company has changed its policy in relation to service tax. 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 3 years expiring on 30th April' 15. The amount of ₹217.55 Lac (Previous Year 31.03.2014 ₹217.55 Lac) has been charged under Rent - Apartment & Ground in the profit & Loss Account during the year ended MARCH 31, 2015.

(₹ in Lac)

Total Minimum Lease Payment outstanding as at	March 31, 2015
Within One Year	18.13
More than One Year	-

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 Acturial valuation is reflected hereunder :-

(₹ in Lac)

	March 31, 2015	March 31, 2014
Provision for Leave Encashment	23.80	27.32
Provision for Gratuity	53.31	61.58
	77.11	88.90

Notes on Accounts (contd.) For The Year Ended March 31 '2015**32 EMPLOYEE BENEFIT PROVISIONS (contd.)****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, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Present Value of Defined Benefit Obligation	-332.04	-364.98	-81.07	90.15
ii)	Fair Value of Plan Assets	-	-	-	-
iii)	Funded Status [Surplus / (Deficit)]	-332.04	-364.98	-81.07	-90.15
iv)	Unrecognised Past Service Cost	-	-	-	-
v)	Effect of balance sheet asset limit	-	-	-	-
vi)	Net Asset / (Liability) recognized in the Balance Sheet	-332.04	-364.98	-81.07	-90.15

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
a)	Current Liability				
i)	Current Liability on retirement	8.18	6.25	0.58	0.51
ii)	Current Liability on attrition	64.77	10.76	16.10	2.69
	Total Current Liability	72.95	17.01	16.68	3.20
b)	Non Current Liability	259.09	347.98	64.39	86.95

TABLE 2

Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Disclosure of employer expense for the year ending 31st March, 2015.

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Current Service cost (including risk premium for fully insured benefits)	93.82	96.95	14.29	11.06
ii)	Interest Cost	27.88	32.22	68.49	7.86
iii)	Expected Return of Asset (-)	-	-	-	-
iv)	Curtailment Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Past Service Cost	-	-	-	-
vii)	Actuarial Gains (-) / Loss (+)	-63.13	-67.59	-57.27	8.39
viii)	Appreciation/Depreciation of Plan Assets	-	-	-	-
	Total employer expenses recognized in P & L	58.57	61.58	25.50	27.32

Notes on Accounts (contd.) For The Year Ended March 31 '2015

32 EMPLOYEE BENEFIT PROVISIONS (contd.)

TABLE 3

Actuarial calculations for AS 15 (Rev. 2005) purpose change in obligations / assets in the year ending 31.03.2015.

A. Change in Obligation in the year ended 31.03.2014

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Present Value of Defined Benefit Obligation at the beginning of the year.	364.98	350.99	90.15	84.59
ii)	Employer Service Cost (+)	93.82	96.95	14.29	11.06
iii)	Interest Cost (+)	27.88	32.22	68.49	7.86
iv)	Curtailement Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Employee contribution	-	-	-	-
vii)	Plan Amendments	-	-	-	-
viii)	Acquisitions	-	-	-	-
ix)	Actuarial Gains (-) / Loss (+)	-63.13	-67.59	-57.27	8.39
x)	Benefit Payments (-)	-91.51	-47.58	-34.58	-21.76
xi)	Present Value of DB obligations at the end of the year	332.04	364.98	81.07	90.15

B. Change in Assets

(₹ in Lac)

Sl.	Change in Assets	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Fair value of Plan Assets at the beginning of the year	-	-	-	-
ii)	Expected Return of Asset (+)	-	-	-	-
iii)	Actuarial Gains (-) / Loss (+)	-	-	-	-
iv)	Actual Company Contribution (+)	-	-	-	-
v)	Benefit Payments (-)	-	-	-	-
vi)	Appreciation / Depreciation of Plan Assets	-	-	-	-
vii)	Fair Value of Plan Assets at the end of the period	-	-	-	-
viii)	Actual return on Plan Assets	-	-	-	-

Notes on Accounts (contd.) For The Year Ended March 31 '2015**32 EMPLOYEE BENEFIT PROVISIONS (contd.)**

TABLE 4

Reconciliation of Net Assets / (Liability) recognized in the Balance Sheet as at 31st March, 2015.

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the year.	-364.98	-350.99	90.15	-84.59
ii)	Employer Expenses	58.57	61.58	25.50	27.32
iii)	Employer Contributions.	-91.51	47.58	-34.58	-21.76
iv)	Acquisitions.	-	-	-	-
v)	Net Asset / (Liability) recognized in balance sheet at the ending of the year	-332.04	-364.98	-81.07	-90.15

B. Summary of Membership Date

(₹ in Lac)

Active Members	March 31, 2015	March 31, 2014
Number of Employees	660.00	724.00
Total Monthly Salaries (INR in Lac)	214.12	219.80
Avg. Monthly Salary per employees (INR in Lac)	0.32	0.30
Average past services (yrs)	4.99	4.61
Average future services (yrs)	24.17	24.79
Average age at valuation date (yrs)	33.83	-

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	-	Vice 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
Mr. Vijendra Surana	-	CFO & Company Secretary

Notes on Accounts (contd.) For The Year Ended March 31 '2015

33 (contd.)

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

i With Wholly Owned Subsidiary (WOS)

Particulars	(₹ in Lac)	
	March 31, 2015 Amount	March 31, 2014 Amount
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solution Inc	174.14	191.28
Reimbursing the subsidiary towards service rendered by them at a commission margin.		
R S Software Asia (pte.) Ltd.	3,056.22	2,823.13
Reimbursing the Other Cost from subsidiary on actual.		
R S Software Asia (pte.) Ltd.	373.18	338.85
Balance as on MARCH 31, 2015 :		
Advance taken against services		
Responsive Solution Inc	NIL	NIL
Reimbursement of expenses payable		
RS Software (Asia) Pte Ltd	NIL	NIL
Maximum balance outstanding during the year		
Advance taken against services		
Responsive Solution Inc	34.98	59.51
Reimbursement of expenses payable		
RS Software (Asia) Pte Ltd	618.28	486.44

ii With Related parties

Particulars	(₹ in Lac)	
	March 31, 2015 Amount	March 31, 2014 Amount
Remuneration to Key Personnel:		
- Directors (Sitting Fees)	16.80	9.00
- Managing Director	72.53	58.32
- Relative of Managing Director	53.42	NIL

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:

Particulars	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Numerator for Basic and Diluted EPS:		
Profit for the Year ended	6,493.53	5,117.95
Denominator for Basic EPS:		
Equity Shares	12,804,834	12,109,537
Add : ESOP Conversion	13,583.90	31,834
Add : Preferential Issue		316,247
Add : Bonus Issue		1,720
Add : Share issued for subdivision of shares	12,839,159	
Weighted no. of Equity Shares	25,657,577	12,459,338
Denominator for Diluted Shares		
Weighted No. of Basic Equity Shares	25,657,577	12,459,338

Notes on Accounts (contd.) For The Year Ended March 31 '2015

34 (contd.)

(₹ in Lac)

Particulars	March 31, 2015	March 31, 2014
Add :ESOP Conversion		
ESOP Dilutive	20,479	45,835
Pref Share allotment		-
Weighted no. of Equity Shares	25,678,056	12,505,173
Nominal Value of share	5.00	10.00
Basic Earning per Share	25.31	41.08
Diluted Earning per Share	25.29	40.93

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, 2015	March 31, 2014
Expenditure in Foreign Currency:		
Foreign branch expenditure	17,913.29	20,337.53
Earning in Foreign Currency		
Export of services	34,504.40	35,134.50

b. Remittance in Foreign Currency

The Company has remitted ₹ Nil (MARCH 31, 2014 : ₹ Nil) in foreign currencies on accounts of dividends during the year and does not have information as to the extent 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 2013-14 are as under :-

	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	410,990.00
Interim Dividend for 2011-12 declared in January' 12	130	126018	March' 2012	126,018.00
Final dividend for 2011-12 declared in July'12	134	468631	March' 2012	937,262.00
Interim Dividend for 2012-13 declared in January' 13	202	511382	March' 2013	767,073.00
Final dividend for 2012-13 declared in July'13	202	725249	March' 2013	1,450,498.00
Interim Dividend for 2013-14 declared in October' 13	208	780530	March' 2014	1,951,325.00
Interim Dividend for 2013-14 declared in January' 14	198	698165	March' 2014	698,165.00
Final dividend for 2013-14 declared in Apr'14	291	612005	March' 2014	1,530,012.50
Interim Dividend for 2014-15 declared in July'14	345	657550	March' 2015	657,550.00
Interim Dividend for 2014-15 declared in Oct'14	383	739421	March' 2015	1,109,131.50
3rd Interim dividend for 2014-15 declared in January,15	443	2509030	March' 2015	1,881,772.50

37 Reporting of Segment Wise Revenue, Results and Capital Employed:

(₹ in Lac)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
1. Segment Revenue (net sale / income from each segment should be disclosed		
a. Segment - A (USA)	33,065.22	32,230.01
b. Segment - B (ROW)	1,485.41	2,958.19

Notes on Accounts (contd.) For The Year Ended March 31 '2015

37 Reporting of Segment Wise Revenue, Results and Capital Employed: (contd.)

(₹ in Lac)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Total	34,550.63	35,188.20
Other Income		
Segment - B (ROW)	1,160.61	711.17
Total	35,711.25	35,899.37
Less : Inter - segment revenue	-	-
Net Revenue from Operations	35,711.25	35,899.37
2. Segment Results Profit/(Loss) before Tax & Interest from each segment		
a. Segment - A (USA)	10,067.53	8,249.84
b. Segment - B (ROW)	1,471.06	1,329.32
Total	11,538.59	9,579.16
Less : Interest	37.03	85.96
Less : Depreciation	554.83	547.67
Less : Unallocable Selling , General & Administrative Expenses	1,322.15	1,484.87
Profit before tax	9,624.58	7,460.66
3. Capital Employed		
Total Assets	23,162.27	18,967.68
Total Liability	23,162.27	18,967.68

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, 2015	March 31, 2014
Outstanding as on		
Responsive Solution Inc	NIL	NIL
RS Software (Asia) Pte Ltd	NIL	NIL
Maximum balance outstanding during the period		
Responsive Solution Inc	34.98	59.51
RS Software (Asia) Pte Ltd	618.28	486.44

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
Dated: April 17th, 2015
Place : Kolkata

V. Surana
CFO & Company
Secretary

S. K. Jain
Director
DIN : 00047474

R. R. Jain
Chairman
& Managing Director
DIN : 00122942

RESPONSIVE SOLUTIONS, INC.

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Responsive Solutions, Inc.

We have audited the accompanying financial statements of Responsive Solutions, Inc. (a California Corporation), which comprise the balance sheet as of March 31, 2015, and the related statement of operations, stockholders' equity and cash flows for the fiscal year ended March 31, 2015, 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, 2015, and the results of its operations and its cash flows for the fiscal year ended March 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

CpaAuditor Inc, CPA
Pacifica, California
April 13, 2015

RESPONSIVE SOLUTION INC.

Directors' Report

The Directors present their report together with the audited accounts for the period ended 31st March, 2015.

Review of Financial Performance & Dividend

The company during the year under review reported a profit of US\$ 0.05 million (Previous year Profit US\$ 0.15 million). The company is exploring different avenues of revenues, particularly in areas where the Parent Company R.S. Software is not focusing, and the plan to achieve more profits during the fiscal year 2015-16.

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, 2015 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 stakeholders 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, 2015

R R Jain
Chairman

RESPONSIVE SOLUTIONS, INC.**Balance Sheet** As At March 31 '2015

Particular	As at March 31, 2015	As at March 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 761,320	\$ 747,203
Accounts receivable	33,111	38,875
Total assets	\$ 794,431	\$ 786,078
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable		\$ 2,100
Federal and state taxes payables	9,463	46,949
Total current liabilities	9,463	49,049
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value, Authorized 1,000 shares; Issued and outstanding 500 shares as of March 31, 2015	5	5
Additional paid-in capital	499,995	499,995
Retained earnings	284,968	237,029
Stockholders' equity	784,968	737,029
Liabilities and Stockholders' equity	\$ 794,431	\$ 786,078

RESPONSIVE SOLUTIONS, INC.**Statement of Operations** For the fiscal year ended March 31 '2015

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
REVENUES		
Consulting revenue	\$ 449,208	\$ 593,254
Other Income	-	35,710
Total Revenues	449,208	628,964
COST AND EXPENSES		
Consulting fees	278,221	320,269
Salary, wages and payroll taxes	90,372	90,372
Mileage and reimbursements	13,200	16,900
Professional fees	7,100	5,100
Payroll processing fees	4,018	4,026
Miscellaneous expense	844	295
Total Expenses	393,755	436,962
Income before taxes	55,453	192,002
Provision for federal and state taxes	7,514	46,949
NET INCOME	\$ 47,939	\$ 145,053

Statement of Cash Flows For the fiscal year ended March 31 '2015

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 47,939	\$ 145,053
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	5,764	14,084
Accounts payable	(2,100)	(7,900)
Federal and state taxes payable	(37,486)	(18,379)
Net Cash Used in by Operating Activities	14,117	132,858
Net Change in Cash and Cash Equivalents	14,117	132,858
Cash and cash equivalents, as of March 31, 2014	747,203	614,345
CASH AND CASH EQUIVALENTS, as of March 31, 2015	\$ 761,320	\$ 747,203
SUPPLEMENTAL CASH-FLOW INFORMATION		
Interest paid	\$ -	\$ 66
Income taxes paid	\$ 45,000	\$ 32,827

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 2015, 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 profit and loss accounts and balance sheet and to maintain accountability of assets.

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 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 state of affairs of the Company as at 31 March 2015 and the results, 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

14 April 2015

Directors' Report

For the financial year ended 31 March 2015

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2015.

Directors

The directors of the Company in office at the date of this report are as follows:

Rajnit Rai Jain
Vijendra Kumar Surana
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 01.04.2014	At 31.03.2015	At 01.04.2014	At 31.03.2015
The Company (Ordinary shares) Rajnit Rai Jain			25,000	25,000
R. S. Software (India) Limited - holding company (Ordinary shares) Rajnit Rai Jain	4,737,807	9,458,014		

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have employment relationships with the Company and its related corporations and have received remuneration in those capacities.

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 auditors

The independent auditors, Entrust Public Accounting

Corporation, have expressed their willingness to accept re-appointment.

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 auditors

The independent auditors, Entrust Public Accounting Corporation, have expressed their 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 March 31 '2015

Particular	Note	2015 SGD	2014 SGD
Revenue	4	6,169,127	5,547,651
Other income	4	9,242	-
Expenses:			
Employee compensation	5	(5,118,915)	(4,520,649)
Other expenses	6	(516,907)	(669,208)
Profit before income tax		542,547	357,794
Income tax expense	7	(70,356)	(36,118)
Profit for the financial year		472,191	321,676
Total comprehensive income		472,191	321,676

Statement of Financial Position As at 31 March 2015

Particular	Note	2015 SGD	2014 SGD
ASSETS			
Current assets			
Trade and other receivables	8	230,327	129,632
Cash and cash equivalents	9	1,767,952	1,341,586
		1,998,279	1,471,218
Total assets		1,998,279	1,471,218
LIABILITIES			
Current liabilities			
Other payables	10	262,077	232,997
Current income tax liabilities	7	74,714	48,924
		336,791	281,921
Total liabilities		336,791	281,921
Net assets		1,661,488	1,189,297
EQUITY			
Share capital	11	25,000	25,000
Retained earnings		1,636,488	1,164,297
Total equity		1,661,488	1,189,297

RS SOFTWARE (ASIA) PTE. LIMITED

Statement Of Cash Flows For the financial year ended March 31 '2015

Particular	Note	2015 SGD	2014 SGD
Cash flows from operating activities			
Profit before income tax		542,547	357,794
Adjustment for:			
Provision for unutilised leaves		68,073	78,400
Operating cash flow before working capital changes		610,620	436,194
Changes in working capital:			
Trade and other receivables		(100,695)	50,890
Other payables		(38,993)	51,196
Cash generated from operations		470,932	538,280
Income tax paid		(44,566)	(38,105)
Net cash inflow from operating activities and net increase in cash and cash equivalents held		426,366	500,175
Cash and cash equivalents at the beginning of financial year		1,341,586	841,411
Cash and cash equivalents at the end of financial year	9	1,767,952	1,341,586

Consolidated Financial **section**

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s. R S Software India Limited
Kolkata

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, 2015 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 matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statement 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 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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, 2015 and their consolidated profit and its 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) Pet. Ltd. (the subsidiaries) whose financial statements reflect total assets (net) of ₹1248.28 Lac as at 31st March, 2015, total revenue of ₹3096.02 Lac and net cash flows amounting to ₹193.8 Lac 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 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, 2015 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, 2015 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 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 : 17.04.2015.

Annexure to the Independent Auditors Report referred to in the paragraph "Under Report on Other Legal and Regulatory Requirements" section of our Report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit 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.
- ii. The Company being a service company does not have any inventory and as such matters specified in clauses (ii)(a), (b) & (c) of paragraph 3 of the order do not apply to the company.
- iii. 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.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and therefore, the provisions contained in Section 73 to 76 or any other relevant provisions of the Companies Act, 1956 and Rules framed there under are not applicable to the company. According to the information and explanation given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of deposits.
- vi. The Central Government has not prescribed for the maintenance of cost records under Section 148(1) of the Companies Act, 1956 for 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, wealth tax, service tax, custom duty, vat, cess and other material statutory dues applicable to it. No statutory dues were outstanding, as at 31st March 2015 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, wealth tax, service tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, as at 31st March 2015 on account of any dispute.
- c) According to the information and explanations given to us no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013.
- viii. The Company does not have accumulated losses as at 31st March 2015 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and on the information and explanations given by the Management, the Company has no dues to the financial institution or bank nor has it issued any debentures.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. According to the information and explanations given to us, the Company has not raised any term loan during the year.
- xli. Based on information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Chaturvedi & Company
Chartered Accountants
(Firm Reg. No. 302137E)

Nilima Joshi
Partner
Mem. No. 52122

Place : Kolkata
Date : 17.04.2015.

Balance Sheet As At March 31 '2015

After consolidating the results of the Company with those of its wholly owned subsidiary Responsive Solution INC. and RS Software Asia Pte. Ltd.

(₹ in Lac)			
Particular	Note	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
(a) SHARE CAPITAL	3	1,283.92	1,280.48
(b) RESERVE & SURPLUS	4	21,112.25	16,302.43
2 NON-CURRENT LIABILITIES			
(a) LONG TERM PROVISIONS	7	390.20	472.27
3 CURRENT LIABILITIES			
(a) SHORT TERM PROVISIONS	7	474.79	392.26
(b) TRADE PAYABLES	8	822.02	1,182.64
(C) OTHER CURRENT LIABILITIES	9	315.43	502.91
TOTAL (1+2+3)		24,398.60	20,132.99
II. ASSETS			
1 NON CURRENT ASSETS			
(a) FIXED ASSETS			
(i) TANGIBLE ASSETS	10	1,057.53	1,631.18
(ii) INTANGIBLE ASSETS	11	143.85	150.13
(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT	12	73.81	73.81
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT			
(b) NON CURRENT INVESTMENT	13	2,500.12	3,400.11
(c) DEFERRED TAX ASSETS (Net)	6	101.52	6.52
(d) LONG TERM LOANS & ADVANCES	14	2,170.75	3,394.45
2 CURRENT ASSETS			
(a) SHORT TERM LOANS AND ADVANCES	14	1,144.87	500.01
(b) CURRENT INVESTMENT	15	4,077.35	2,017.31
(c) TRADE RECEIVABLES	16	4,700.47	4,659.22
(d) CASH & CASH EQUIVALENTS	17	8,122.62	4,129.94
(e) OTHER CURRENT ASSETS	18	305.71	170.31
TOTAL (1+2)		24,398.60	20,132.99
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

Dated: April 17th, 2015

Place : Kolkata

V. Surana

CFO & Company

Secretary

S. K. Jain

Director

DIN : 00047474

R. R. Jain

Chairman

& Managing Director

DIN : 00122942

Statement of Profit and Loss Account For The Year Ended March 31 '2015

After consolidating the results of the Company with those of its wholly owned subsidiary Responsive Solution INC. and RS Software Asia Pte. Ltd.

(₹ in Lac)

Particulars	Note	Year ended March 31, 2015	Year ended March 31, 2014
I REVENUE FROM OPERATION	21	37,642.45	38,187.65
II OTHER INCOME	22	1,164.83	732.66
III TOTAL REVENUE		38,807.28	38,920.31
IV EXPENSES :			
EMPLOYEE BENEFIT EXPENSES	23	19,232.64	20,519.93
SUBCONTRACTOR EXPENSES		4,982.95	5,702.83
FINANCE COST	24	37.93	87.85
DEPRECIATION	10 & 11	554.83	547.67
OPERATION AND OTHER EXPENSES	25	4,092.12	4,315.52
	Total	28,900.47	31,173.79
V PROFIT BEFORE TAX :	(III - IV)	9,906.81	7,746.52
VI TAX EXPENSES			
PRIOR PERIOD TAX		-	0.47
CURRENT TAX		3,158.49	2,380.93
DEFERRED TAX		9.65	6.73
VII PROFIT FOR THE PERIOD :	(V - VI)	6,738.67	5,358.39
Face Value of share		5.00	10.00
VIII EARNING PER EQUITY SHARE :	34		
BASIC		26.26	43.01
DILLUTED		26.24	42.85
RESTATED EPS FOR PREVIOUS YEAR on face value of INR 5 Each :			
BASIC		-	21.51
DILLUTED		-	21.43
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
Dated: April 17th, 2015
Place : Kolkata

V. Surana
CFO & Company
Secretary

S. K. Jain
Director
DIN : 00047474

R. R. Jain
Chairman
& Managing Director
DIN : 00122942

Cash Flow Statement For The Year Ended March 31 '2015

After consolidating the results of the Company with those of its wholly owned subsidiary Responsive Solution INC. and RS Software Asia Pte. Ltd.

(₹ in Lac)

PARTICULARS	Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW STATEMENT		
A CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	9,906.81	7,746.50
ADJUSTMENT FOR :		
DEPRECIATION	554.83	547.67
INTEREST PAID	37.93	87.85
FOREIGN EXCHANGE FLUCTUATION RESERVE	(53.14)	480.33
PROVISION FOR GRATUITY, LEAVE ENCASHMENT	77.11	88.90
INTEREST RECEIVED	(547.54)	(247.33)
DIVIDEND RECEIVED	(29.28)	(60.35)
EMPLOYEES EXPENSES AMORTIZATION	(89.76)	(32.00)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,856.96	8,611.57
ADJUSTMENT FOR :		
TRADE AND OTHER RECEIVABLES	(41.25)	(861.65)
LOANS AND ADVANCES AND OTHER ASSETS	(3,160.85)	(2,961.38)
TRADE PAYABLES & OTHER LIABILITIES	(548.09)	523.45
CASH GENERATED FROM OPERATIONS	6,106.76	5,311.99
CASH FLOW BEFORE EXTRAORDINARY ITEMS	6,106.76	5,311.99
NET CASH FROM OPERATING ACTIVITIES	6,106.76	5,311.99
B CASH FLOW FROM INVESTMENT ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(282.80)	(1,149.63)
INTEREST RECEIVED	547.54	247.33
DIVIDEND RECEIVED	29.28	60.35
INVESTMENT MADE DURING THE YEAR	(1,323.31)	(2,449.25)
NET CASH FROM INVESTMENT ACTIVITIES	(1,029.29)	(3,291.20)
C CASH FLOW FROM FINANCE ACTIVITIES:		
PROCEEDS FROM SHARE APPLICATION	19.65	289.00
INTEREST PAID	(37.93)	(87.85)
DIVIDEND AND DIVIDEND TAX PAID	(991.50)	(800.98)
PAYMENT OF CSR FUND	(75.00)	(50.00)
NET CASH FROM FINANCING ACTIVITIES	(1,084.79)	(649.83)
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3,992.68	1,370.96
OPENING CASH AND CASH EQUIVALENTS	4,129.94	2,758.98
CLOSING CASH AND CASH EQUIVALENTS	8,122.62	4,129.94

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

Dated: April 17th, 2015

Place : Kolkata

V. Surana

CFO & Company

Secretary

S. K. Jain

Director

DIN : 00047474

R. R. Jain

Chairman

& Managing Director

DIN : 00122942

Notes on Accounts For The Year Ended March 31 '2015

1 Corporate Information

RS 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, 1956.

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 encased 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 Translation

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 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.

Notes on Accounts (contd.) For The Year Ended March 31 '2015

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 accordance with tax 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 '2015

3 SHARE CAPITAL

(₹ in Lac)

	March 31, 2015	March 31, 2014
a The AUTHORISED CAPITAL is :		
40,000,000 EQUITY SHARE OF ₹5/- EACH	2,000.00	2,000.00
2,500,000 PREFERENCE SHARE OF ₹100/- EACH	2,500.00	2,500.00
	4,500.00	4,500.00
b ISSUED SUBSCRIBED AND PAID-UP-FULLY CALLED AND PAID UP		
25,678,318 EQUITY SHARE OF ₹5/- EACH (Previous Year 1,28,04,834 shares of ₹10/- each)	1,283.92	1,280.48
	1,283.92	1,280.48

The company has only one class of Shares referred to as equity share having a par value of ₹10/- . Each holder of equity share is entitled to one vote per share. The company has sub-divided the face value of equity share from INR 10 to INR 5 per share during FY 14-15. The transaction completed on January 23, 2015.

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, 2015		March 31, 2014	
	No. of Share	₹ in Lac	No. of Share	₹ in Lac
Number of shares at the beginning	12,804,834	1,280	12,109,537	1,210.95
Add : Shares issued as Preferential Allotment	-	-	595,000	59.50
Add : Shares issued as Bonus	-	-	-	-
Add : Shares issued on exercise of Employee Stock option	34,325	3.43	91,925	9.19
Add : Bonus Shares issued on Employee Stock option	-	-	8,372	0.84
	12,839,159	-		
	25,678,318	1,283.91	12,804,834	1,280.48

d SHAREHOLDER HOLDING MORE THAN 5% OF THE SHARE as on MARCH 31, 2015

	March 31, 2015	March 31, 2014
Mr. Rajnit Rai Jain	9,458,015 Shares (36.83% of total shareholding)	4,737,807 Shares (37.00% of total shareholding)

e Employee Stock option Plan

The Company has granted 105,100 options of shares of face value INR 10 each to the employees during the year 2010-11 at the fair value of and the exercise price of the option is ₹49.55 each. As on date only 40075 option has been exercised and 44,450 options has been lapsed due to leaving of employees. As on date 20,575 shares options is lapsed due to expiry of exercise period.

The Company has granted 75000 options of shares of face value INR 10 each to the directors and employees to be convertible

Notes on Accounts (contd.) For The Year Ended March 31 '2015**3 SHARE CAPITAL (contd.)**

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 exercise their options and the Directors have been allotted 45,000 Shares and Employee have been allotted (1st and 2nd instalment out of four) 15,000 shares. As on date 15000 Options of INR 10 each (30000 options after subdivision of shares of face value INR 5 each)) are outstanding to be exercised.

The Company had granted 10000 options of share of face value INR 10 each to one employee to be convertible into one equity share each, on 8th January' 2013 at the exercise price of ₹191.7 each. The same was be due to be exercised after one year from the date of approval in four equal instalments. This same has lapsed due to leaving of employee and no option is outstanding as on date.

f Application Money Received Against Convertible Share Warrants on Preferential Basis

The Company has issued 1,550,000 convertible warrants on preferential basis to Mr. Rajnit Rai Jain at a price of ₹51.86 each to be converted into one equity share each of ₹10 each in January '2012 which was allotted on 26th March'2012 . All 15,50,000 warrants has been converted into equity share capital.

4 RESERVE AND SURPLUS

(₹ in Lac)

	March 31, 2015	March 31, 2014
SHARE FORFEITURE		
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
SECURITIES PREMIUM ACCOUNT		
Balance at the beginning of the year	2,558.95	2,261.51
Add : Receipts on exercise of Preferential Allotment	-	258.20
Add : Receipts on exercise of employee stock options	16.22	39.24
Closing Balance	2,575.17	2,558.95
PREFERENCE SHARE REDEMPTION RESERVE		
Balance at the beginning of the year	255.31	256.15
Add : Transfer from Profit & Loss A/c	-	-
Less : Distributed as Bonus Share	-	(0.84)
Closing Balance	255.31	255.31
CSR FUND		
Balance at the beginning of the year	85.00	65.00
Add : Transfer from Profit & Loss A/c *1	109.40	70.00
Less : Transfer to Donation	(75.00)	(50.00)
Closing Balance	119.40	85.00
SURPLUS IN STATEMENT OF PROFIT AND LOSS ACCOUNT		
Balance at the beginning of the year	12,555.54	8,158.71
Less : MAT Credit received for earlier years	(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	6,738.67	5,358.37
	18,645.17	13,517.08
Less Appropriations :		

Notes on Accounts (contd.) For The Year Ended March 31 '2015

4 RESERVE AND SURPLUS (contd.)

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Interim Equity Dividend *2 (INR 4 per share, Previous year INR 3.5 per share)	(512.82)	(446.98)
Proposed Final Equity Dividend (₹ Nil per share, Previous year ₹2 per share)	(320.98)	(320.12)
Equity Dividend Tax	(170.81) **	(124.44)
Trf to CSR Fund *1	(109.40)	(70.00)
Closing Balance	17,531.16	12,555.54
CAPITAL RESERVE	56.70	219.97
INTER BRANCH FOREIGN FLUCTUATION RESERVE		
Balance at the beginning of the year	584.15	103.83
Add : Fluctuation during the period	(53.14)	480.32
Closing Balance	531.01	584.15
	21,112.25	16,302.43

*1 In computation of CSR Amount branch profit is also being considered.

*2 The Company has declared an interim Dividend @ INR 1 per share on 17.07.2014, INR 1.5 per share on 16.10.2014 and INR 1.5 per share on 17.1.15 during the FY 14-15. In FY 13-14 Interim Dividend @ ₹2.5 per share was declared on 18.10.13 and @ ₹1 per share declared on 16.1.14. Final div of ₹2.5 per share pertaining to FY 13-14 was paid in July '14 after due approval of Shareholders.

** It include for ₹5.46 lac div tax for earlier years.

6 Deferred tax Assets / (Liability) - NET

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
	101.51	6.52
DTL on Account of Fixed Assets	86.36	165.36
DTA on Account of Accrued Employee benefits and B/f other Losses	187.89	171.88
NET DEFERRED TAX ASSETS / (LIABILITY)	101.51	6.52

7 PROVISIONS

	(₹ in Lac)			
	Long Term Provision		Short Term Provision	
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
PROVISION FOR LEAVE ENCASHMENT *	131.11	124.30	16.68	3.20
PROVISION FOR GRATUITY *	259.09	347.97	72.95	17.01
PROVISION FOR PROPOSED EQ DIVIDEND	-	-	320.98	320.12
PROVISION FOR PROPOSED DIVIDEND TAX	-	-	64.18	51.93
* (Refer note 32)				
	390.20	472.28	474.79	392.26

8 TRADE PAYABLE (SHORT TERM)

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Other Than Acceptances (refer note no. 33 for MMSE details)	822.02	1,182.64
	822.02	1,182.64

Notes on Accounts (contd.) For The Year Ended March 31 '2015

9 OTHER CURRENT LIABILITIES

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
SALARY PAYABLE	73.03	131.18
STATUTORY LIABILITY including PF, TDS, ESI etc.	241.23	350.55
OTHER PAYABLES	1.18	21.18
	315.43	502.91

10 DETAILS OF TANGIBLE ASSETS

	(₹ in Lac)										
Particulars	LAND	BUILDING	LEASE BUILDING EXPENSES	PLANT AND MACHINERIES	OFFICE EQUIPMENT	AIR CONDITIONER	ELECTRICAL INSTALLATIONS	FURNITURE AND FITTINGS	MOTOR VEHICLES	TOTAL 31.3.2015	TOTAL 31.3.2014
Gross Block											
Opening Balance	7.76	173.68	-	6,759.45	248.76	153.22	326.82	762.32	66.06	8,498.07	7,973.27
Additions during the period	-	-	-	34.03	58.35	18.06	0.85	1.60	-	112.89	687.01
Acquisitions through Business combination	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	19.03	-	4,907.62	102.39	46.64	116.48	209.98	13.27	5,415.41	-
Sub-total	7.76	154.65	-	1,885.86	204.72	124.64	211.19	553.94	52.79	3,195.55	8,641.21
Less: Disposals	-	-	-	-	2.45	-	3.12	-	-	5.57	-
Gross block as on closing	7.76	154.65	-	1,885.86	202.28	124.64	208.07	553.94	52.79	3,189.98	8,641.21
Less: Depreciation / Amortization											
Opening depreciation / amortization	-	44.73	-	6,093.45	90.20	58.10	125.33	421.02	34.07	6,866.89	6,801.17
Depreciation/ Amortization of the period	-	4.09	-	221.75	26.26	5.42	41.42	68.13	5.99	373.06	221.66
Other Adjustments (Assets Physically Present)	-	15.38	-	-	96.83	39.29	51.37	101.23	3.80	307.90	-
Other Adjustments (Assets not Physically Present)	-	-	-	-	-	-	-	-	-	-	12.80
Impairment loss/ Reversal of Impairment Loss	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	19.03	-	4,907.62	102.39	46.64	116.48	209.98	13.27	5,415.41	-
	-	45.17	-	1,407.59	110.89	56.17	101.65	380.39	30.59	2,132.45	7,010.03
Net Carrying Value (Closing)	7.76	109.48	-	478.27	91.38	68.46	106.42	173.55	22.20	1,057.53	1,631.18
Net Carrying Value Previous Year	7.76	128.95	-	666.00	158.57	95.12	201.49	341.30	32.00	1,631.18	1,172.10

Note:

- Land includes Leasehold land amounting to ₹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 3 years which was extended for further period of 3 years till April 2015. Company has spent an amount of ₹89.83 lac and ₹49.99 lac which were amortised over the respective period of lease.
- As on 1st April 2014 the management based on internal technical evaluation has reassessed the remaining use full life of all the assets in conformity with the use full life of assets as given in the companies act 2013. The carrying amount of the assets has been taken after retaining the residual value of assets and charging of the difference of ₹307.90 lac to opening balance of Profit and loss (retained earning). Had the company continued with the previous rate of depreciation, the depreciation for the year ending March, 2015 would have been Lower by ₹7.15 Lac for assets held as on 31st March '2015. Accordingly the deferred tax of ₹104.65 (33.989% of INR 307.90Lac) Lac made by these changes have also been adjusted to the opening balance of Profit & Loss Account (Retained Earning).

Notes on Accounts (contd.) For The Year Ended March 31 '2015

11 DETAILS OF INTANGIBLE ASSETS

(₹ in Lac)

Particulars	TOTAL	TOTAL
	31.3.2015	31.3.2014
	COMPUTER SOFTWARE & LICENCES	COMPUTER SOFTWARE & LICENCES
Gross Block		
Opening Balance	1,209.30	777.02
Additions during the period	175.49	432.27
Acquisitions through Business combination	-	
Other Adjustments	862.29	
Sub-total	2,247.08	1,209.30
Less: Disposals	-	-
Gross block as on closing	2,247.08	1,209.30
Less: Depreciation / Amortization		
Opening depreciation / amortization	1,059.17	733.16
Depreciation/Amortization of the period	181.77	326.02
Impairment loss/Reversal of Impairment Loss	862.29	
	2,103.23	1,059.17
Net Carrying Value (Closing)	143.85	150.13
Net Carrying Value Previous Year	150.13	43.87

12 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lac)

	March 31, 2015	March 31, 2014
ERP IMPLEMENTATION	73.81	73.81
	73.81	73.81

13 NON-CURRENT INVESTMENTS (AT COST)

(₹ in Lac)

(Others - unquoted)	No. of unit	March 31, 2015	No. of unit	March 31, 2014
In Mutual Fund -				
Reliance Fixed Horizon Fund - XXV- series 14- Growth plzn	3,000,000	300.00		
HDFC FMP 371D December 2013 (2) series 29 - Direct growth	NIL	-	4000000	400.00
HDFC FMP 554D NOV 2013-1-DIRECT-GR	3,000,000	300.00	3000000	300.00
ICICI Prudential Fixed Maturity Plan - Series 67	NIL	-	3000000	300.00
ICICI PRUDENTIAL FMP SERIES 71- 480 DAYS	3,000,000	300.00	3000000	300.00
Reliance Fixed Horizon Fund - Xxiii- series 4- Growth plan	NIL	-	3000000	300.00
Reliance Fixed Horizon Fund - Xxiii- series 5- Growth plan	NIL	-	2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 11- Growth plan	3,000,000	300.00	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 12- Growth plan	3,000,000	300.00	3000000	300.00
Reliance Fixed Horizon Fund - XXV- series 13- Growth plan	2,000,000	200.00	2000000	200.00

Notes on Accounts (contd.) For The Year Ended March 31 '2015**13 NON-CURRENT INVESTMENTS (AT COST) (contd.)**

(₹ in Lac)				
(Others - unquoted)	No. of unit	March 31, 2015	No. of unit	March 31, 2014
Reliance Fixed Horizon Fund - XXV- series 15- Growth plan	2,000,000	200.00	2000000	200.00
Reliance Fixed Horizon Fund - XXV- series 16- Growth plan	2,000,000	200.00	2000000	200.00
DSP FMP S154-12-5M	4,001,173	400.12	4001173	400.11
(Aggregate NAV of Mutual Fund as on MARCH 31, 2015 INR 2761.9) (as on 'MARCH 31, 2014 INR 3535.63 lac)				
		2,500.12		3,400.11

* The provision of diminution in Investment value has been written back in current fiscal as net worth of the subsidiary is positive. (Previous Year : The credit of above diminution in value has not been considered in current fiscal and kept in hold for one year so as to ensure that the appreciation is not other than temporary in nature when written back. The value of the investments made by the company in its subsidiary Responsive solution Inc. were dominated by ₹1.6 crore, during the period of 2002 to 2004 only when the erosion of Subsidiary which has started since 1998 were considered , other than temporary.)

14 LOANS AND ADVANCES

(₹ in Lac)				
	Long Term Loans & Advances		Short Term Loans & Advances	
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
(Unsecured and Considered good)				
LOAN				
(Recoverable in cash or in kind or for value to be received)				
ADVANCE TO R S EMPLOYEE WELFARE TRUST	1,300.00	1,500.00	-	-
ADVANCES				
(Recoverable in cash or in kind or for value to be received)				
ADVANCE AGAINST EXPENSES	-	34.92	2.55	3.73
PREPAID EXPENSES	26.56	156.27	403.86	333.49
DEPOSITS	71.15	42.99	69.39	15.93
ADVANCE TO STAFF	-	-	36.00	-
ADVANCE TAXES (Net of Provisions)	478.65	1,422.46	479.73	-
BALANCES WITH GOVT. AUTHORITIES	294.40	237.81	153.35	146.86
	2,170.75	3,394.45	1,144.87	500.01

Notes on Accounts (contd.) For The Year Ended March 31 '2015

15 CURRENT INVESTMENT

(₹ in Lac)

	No. of unit	March 31, 2015	No. of unit	March 31, 2014
(At Cost or Fair value whichever is less)				
Investment in Mutual Fund (Others - unquoted)				
HDFC Floating Rate Income fund ST plan	77017941	750.00	-	-
Kotak Bond (Short Term) - Direct Plan - Growth	30551983	300.00	-	-
Reliance Liquidity Fund DDD,	215912	2.12	-	-
Franklin India Treasury Management - Super Institution Plan	25058165	250.00	-	-
Birla Sun Life cash plus -D DIP	20037721	200.00	-	-
SBI Magnum Income Fund - Direct - Growth	30018145	300.00	-	-
Reliance Floating rate Fund -ST Plan- Direct Growth	42153743	400.00	-	-
Franklin India Low duration Fund - Direct	36338204	350.00	-	-
SBI Magnum Gilt Fund - LT - Direct - Growth	43410479	400.00	-	-
Reliance Dynamic Bond Fund - Growth Plan (NI-GP)	50621880	400.10	2663580	400.10
IDFC - SSIF - Inv Plan- Plan A - Growth Option	25373906	200.00	742539	200.00
Reliance Interval Fund- Qtrly Plan- Series 1 - DWP	-	-	1165087	200.00
Reliance Interval Fund- Qtrly Plan- Series II - DWP	-	-	2028139	350.00
DSB BlackRock Strategic Bond Fund -	29637862	250.00	17595	250.00
JM High Liquidity Fund (Direct) - DDO	27512590	275.13	2948649	307.55
Religare Ultra Short Term Fund - Direct Plan Daily Dividend	-	-	30,956	309.66
(Aggregate NAV of Mutual Fund as on MARCH 31, 2015 ₹4379.49 Lac) (as on 'MARCH 31, 2014 ₹2087.22 Lac)				
		4,077.35		2,017.31

16 a. TRADE RECEIVABLES

(₹ in Lac)

	March 31, 2015	March 31, 2014
(Unsecured and Considered good)		
Trade Receivable for a period exceeding Six Months	-	-
Others	4,700.47	4,659.22
	4,700.47	4,659.22

b. UNBILLED REVENUE:

Unbilled revenue included in Trade receivable valued as on MARCH 31, 2015 amounts to ₹3691.90 lac (March 31 ' 2014 ₹2921.92 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, 2015 ₹10.07 Lac (March 31' 2014 ₹1244.78 Lac)10.07

Notes on Accounts (contd.) For The Year Ended March 31 '2015**17 CASH AND BANK BALANCE**

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
CASH & CASH EQUIVALENTS		
CASH IN HAND	0.38	0.34
Fixed Deposits with Yes Bank- with original maturity less than 3 Months	-	
BALANCE WITH BANK :		
SCHEDULED BANKS		
- in Current Account (Axis bank & Allahabad Bank)	15.81	9.22
- in Current Account (HDFC Bank)	2.24	
- in Current Account (ICICI Bank)	45.04	8.88
- in Current Account (YES Bank)	54.14	13.11
FOREIGN BANK		10.16
- in Current Account (Bk of America, Silicon Valley Bk, ICICI Bk UK Ltd.)	1,599.63	1,256.15
OTHER BANK BALANCES		
FIXED DEPOSITS - with original maturity less than 12 Months		
Fixed Deposits with Yes Bank	6,190.80	2,801.00
Fixed Deposits with ICICI Bank	201.09	
In margin Money deposits against guarantees (in lien)		
Axis Bank	5.67	23.35
ICICI Bank	0.10	
Allahabad Bank	7.73	7.73
	8,122.62	4,129.94

The Company has Ten Dividend Accounts being balances comprising of amount of ₹52.34 Lac which are still unpaid since FY 10-11. The same is not included in current assets and Current Liabilities of the company.

18 OTHER CURRENT ASSETS

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
INTEREST ACCRUED ON R S EMPLOYEE WELFARE TRUST	234.05	154.80
INTEREST ACCRUED ON FIXED DEPOSITS	71.66	15.51
	305.71	170.31

19 CONTINGENT LIABILITIES

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
(To the extent not provided for in the books)		
Guarantee Outstanding	5.20	23.35
Invoice Funding with Silicon Valley Bank	1,122.45	496.33

20 COMMITMENTS**a. Other Commitment**

Company has a lease agreement for the premises of Saltlake City, Sector V, Kolkata, The Lease will be expiring on 30th April'15 which is renewable with the consent of both the parties. For detail please ref note no. 31 below.

Company has spent ₹73.81 lac (March '14 ₹73.81 Lac) towards ERP implementation as on March 31, 2015 which is still under development stage by in house team and expected to be completed by FY 2014-15.

Notes on Accounts (contd.) For The Year Ended March 31 '2015**21 REVENUE FROM OPERATION**

(₹ in Lac)

	March 31, 2015	March 31, 2014
SALE OF SOFTWARE SERVICES		
Export Income	37,596.22	38,133.95
Domestic Income	46.23	53.70
	37,642.45	38,187.65

22 DETAILS OF OTHER INCOME

(₹ in Lac)

	March 31, 2015	March 31, 2014
Interest Received from Bank & Other Investment	547.54	247.33
(including TDS ₹54.74 Lac (previous year ₹24.60 lac)	-	
Net gain on Investments in Mutual Funds	213.09	187.00
Dividend Income	29.28	60.35
Interest from Employee Welfare Trust	123.12	131.25
(including TDS ₹12.31 Lac (previous year ₹13.12 lac)		
Interest from Income Tax Refund	20.13	8.80
Other Non-operating Income From Subsidiary	19.24	20.63
Other Income	8.59	
Provision on subsidiary written back	163.29	
Liability/Expenses No longer required written back	40.55	77.30
	1,164.83	732.66

23 EMPLOYEE BENEFIT EXPENSES

(₹ in Lac)

	March 31, 2015	March 31, 2014
Salary Wages And Bonus	17,841.72	18,972.52
Contribution to PF And Other Funds	394.16	373.96
Staff Welfare Expenses	996.76	1,173.46
	19,232.64	20,519.93

24 FINANCE COST

(₹ in Lac)

	March 31, 2015	March 31, 2014
Interest Expenses	16.45	56.90
Interest Paid on dividend tax	0.41	3.96
Other Borrowing Cost	21.07	26.99
	37.93	87.85

Notes on Accounts (contd.) For The Year Ended March 31 '2015**25 OPERATION AND OTHER EXPENSES**

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Travelling	1,546.66	1,541.38
Conveyance	97.34	50.75
Staff Welfare	139.09	145.59
Communication	389.90	290.12
Printing and Stationery	23.00	43.66
Electricity and Power	171.26	174.00
Rent - Apartment & Ground	444.60	552.85
Repairs - Machinery	182.29	211.42
Repairs - Building	86.34	101.21
Repairs - Others	3.52	0.46
Education and Training Expenses	17.76	9.39
insurance	132.27	121.87
Auditors' Remuneration - Refer Note no.25	3.70	11.49
Books and Periodicals	6.87	0.47
Directors' Fees *	18.88	9.00
Rates & Taxes	223.42	225.20
Legal / Professional Fee	150.30	14.48
Consultancy Charges	229.28	328.78
Recruitment & Relocation Expenses	49.85	153.45
General and Board Meeting expenses	21.85	36.81
Membership and Subscription	23.87	26.16
Business Promotion	80.08	169.64
Advertisement	29.39	16.39
Seminar & Conferences	-	0.30
Advances written off	-	3.77
Donation	-	0.50
Net loss on Foreign currency Transaction	17.48	72.02
Loss on Discard of Assets	3.12	4.36
	4,092.12	4,315.52

* Its inclusive of service tax for current year

26

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Income Tax deducted on domestic income	4.62	6.03

27 AUDITOR'S REMUNERATION

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
As Statutory Auditors	2.50	2.25
Tax Audit	0.50	0.50
Other certification	1.13	0.90
The above remunerations are not inclusive of service tax as applicable	-	
	4.13	3.65

Notes on Accounts (contd.) For The Year Ended March 31 '2015

28 PRIOR PERIOD EXPENSES INCURRED

Particulars	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Employee benefit Expenses	-	0.32
Repair & Maintenance	-	0.46
Professional fee	-	0.34
Business Promotion	-	0.85
	-	1.97

29 There is no Impairment of assets during the Period ended March 31, 2015.

30 The company has changed its policy in relation to service tax. 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 3 years expiring on 30th April' 15. The amount of ₹217.55 Lac (Previous Year 31.03.2014 ₹217.55 Lac) has been charged under Rent - Apartment & Ground in the profit & Loss Account during the year ended MARCH 31, 2015.

Total Minimum Lease Payment outstanding as at	(₹ in Lac)	
	March 31, 2015	
Within One Year	18.13	
More than One Year	-	

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 Acturial valuation is reflected hereunder :-

	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Provision for Leave Encashment	23.80	27.32
Provision for Gratuity	53.31	61.58
	77.11	88.90

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, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Present Value of Defined Benefit Obligation	-332.04	-364.98	-81.07	90.15
ii)	Fair Value of Plan Assets	-	-	-	-
iii)	Funded Status [Surplus / (Deficit)]	-332.04	-364.98	-81.07	-90.15
iv)	Unrecognised Past Service Cost	-	-	-	-
v)	Effect of balance sheet asset limit	-	-	-	-
vi)	Net Asset / (Liability) recognized in the Balance Sheet	-332.04	-364.98	-81.07	-90.15

Notes on Accounts (contd.) For The Year Ended March 31 '2015**32 EMPLOYEE BENEFIT PROVISIONS (contd.)**

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
REVISED SCHEDULE VI COMPANIES ACT					
a)	Current Liability				
i)	Current Liability on retirement	8.18	6.25	0.58	0.51
ii)	Current Liability on attrition	64.77	10.76	16.10	2.69
	Total Current Liability	72.95	17.01	16.68	3.20
b)	Non Current Liability	259.09	347.98	64.39	86.95

TABLE 2

Actuarial calculations for AS 15 (Rev. 2005) for the purpose of Disclosure of employer expense for the year ending 31st March, 2015.

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Current Service cost (including risk premium for fully insured benefits)	93.82	96.95	14.29	11.06
ii)	Interest Cost	27.88	32.22	68.49	7.86
iii)	Expected Return of Asset (-)	-	-	-	-
iv)	Curtailement Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Past Service Cost	-	-	-	-
vii)	Actuarial Gains (-) / Loss (+)	-63.13	-67.59	-57.27	8.39
viii)	Appreciation/Depreciation of Plan Assets	-	-	-	-
	Total employer expenses recognized in P & L	58.57	61.58	25.50	27.32

TABLE 3

Actuarial calculations for AS 15 (Rev. 2005) purpose change in obligations / assets in the year ending 31.03.2015.

A. Change in Obligation in the year ended 31.03.2014

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Present Value of Defined Benefit Obligation at the beginning of the year.	364.98	350.99	90.15	84.59
ii)	Employer Service Cost (+)	93.82	96.95	14.29	11.06
iii)	Interest Cost (+)	27.88	32.22	68.49	7.86
iv)	Curtailement Cost (+)	-	-	-	-
v)	Settlement Cost (+)	-	-	-	-
vi)	Employee contribution	-	-	-	-
vii)	Plan Amendments	-	-	-	-
viii)	Acquisitions	-	-	-	-
ix)	Actuarial Gains (-) / Loss (+)	-63.13	-67.59	-57.27	8.39
x)	Benefit Payments (-)	-91.51	-47.58	-34.58	-21.76
xi)	Present Value of DB obligations at the end of the year	332.04	364.98	81.07	90.15

Notes on Accounts (contd.) For The Year Ended March 31 '2015

32 EMPLOYEE BENEFIT PROVISIONS (contd.)

B. Change in Assets

(₹ in Lac)

Sl.	Change in Assets	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Fair value of Plan Assets at the beginning of the year	-	-	-	-
ii)	Expected Return of Asset (+)	-	-	-	-
iii)	Actuarial Gains (-) / Loss (+)	-	-	-	-
iv)	Actual Company Contribution (+)	-	-	-	-
v)	Benefit Payments (-)	-	-	-	-
vi)	Appreciation / Depreciation of Plan Assets	-	-	-	-
vii)	Fair Value of Plan Assets at the end of the period	-	-	-	-
viii)	Actual return on Plan Assets	-	-	-	-

TABLE 4

Reconciliation of Net Assets / (Liability) recognized in the Balance Sheet as at 31st March, 2015.

(₹ in Lac)

Sl.	Description	GRATUITY FUND		LEAVE ENCASHMENT	
		MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2015	MARCH 31, 2014
i)	Net Asset / (Liability) recognized in the Balance Sheet at the beginning of the year.	-364.98	-350.99	90.15	-84.59
ii)	Employer Expenses	58.57	61.58	25.50	27.32
iii)	Employer Contributions.	-91.51	47.58	-34.58	-21.76
iv)	Acquisitions.	-	-	-	-
v)	Net Asset / (Liability) recognized in balance sheet at the ending of the year	-332.04	-364.98	-81.07	-90.15

B. Summary of Membership Date

(₹ in Lac)

Active Members	March 31, 2015	March 31, 2014
Number of Employees	660.00	724.00
Total Monthly Salaries (INR in Lac)	214.12	219.80
Avg. Monthly Salary per employees (INR in Lac)	0.32	0.30
Average past services (yrs)	4.99	4.61
Average future services (yrs)	24.17	24.79
Average age at valuation date (yrs)	33.83	-

33 Related Party Disclosures:

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

Notes on Accounts (contd.) For The Year Ended March 31 '2015

33 (contd.)

b. Key Management Personnel:

Mr. Rajnit Rai Jain	-	Vice 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
Mr. Vijendra Surana		CFO & Company Secretary

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, 2015 Amount	March 31, 2014 Amount
Reimbursement of Cost of services incurred on behalf of Subsidiary including margin on actual cost thereon .		
Responsive Solution Inc	174.14	191.28
Reimbursing the subsidiary towards service rendered by them at a commission margin.		
R S Software Asia (pte.) Ltd.	3,056.22	2,823.13
Reimbursing the Other Cost from subsidiary on actual.		
R S Software Asia (pte.) Ltd.	373.18	338.85
Balance as on March 31, 2015 :		
Advance taken against services		
Responsive Solution Inc	NIL	NIL
Reimbursement of expenses payable		
RS Software (Asia) Pte Ltd	NIL	NIL
Maximum balance outstanding during the year		
Advance taken against services		
Responsive Solution Inc	34.98	59.51
Reimbursement of expenses payable		
RS Software (Asia) Pte Ltd	618.28	486.44

ii With Related parties

(₹ in Lac)

Particulars	March 31, 2015 Amount	March 31, 2014 Amount
Remuneration to Key Personnel:		
- Directors (Sitting Fees)	16.80	9.00
- Managing Director	72.53	58.32
- Relative of Managing Director	108.74	NIL

Notes on Accounts (contd.) For The Year Ended March 31 '2015

- 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:

Particulars	(₹ in Lac)	
	March 31, 2015	March 31, 2014
Numerator for Basic and Diluted EPS:		
Profit for the period	6,738.67	5,358.37
Denominator for Basic EPS:		
Equity Shares	12,804,834	12,109,537
Add: ESOP Conversion	13,583.90	31,834
Add: Preferential Issue	-	316,247
Add : Bonus Issue	-	1,720
Add : Share issued for subdivision of shares	12,839,159	-
Weighted no. of Equity Shares	25,657,577	12,459,338
Denominator for Diluted Shares		
Weighted No. of Basic Equity Shares	25,657,577	12,459,338
Add: ESOP Conversion	-	-
ESOP Dilutive	20,478.65	45,835
Pref Share allotment	-	-
Weighted no. of Equity Shares	25,678,056	12,505,173
Nominal Value of share	5.00	10.00
Basic Earning per Share	26.26	43.01
Diluted Earning per Share	26.24	42.85

- 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, 2015	March 31, 2014
Expenditure in Foreign Currency:		
Foreign branch expenditure	20,696.07	23,099.04
Earning in Foreign Currency		
Export of services	37,600.43	38,133.95

- b. Additional Information pursuant to provisions of the Para 2 of Part II Schedule III for the Companies Act, 2013:-

Name of the entity	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.	94.47%	21,319.19	96.36%	6,493.54
Subsidiary Company - Foreign				
Responsive Solution Inc. (100% Subsidiary)	2.18%	491.31	0.45%	30.01
R S Software Asia Pte Ltd (100% Subsidiary)	3.35%	756.97	3.19%	215.13

Notes on Accounts (contd.) For The Year Ended March 31 '2015**36 (contd.)****c. Remittance in Foreign Currency**

The Company has remitted ₹ Nil (MARCH 31, 2014 : ₹ 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 2013-14 are as under :-

	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	410,990.00
Interim Dividend for 2011-12 declared in January '12	130	126018	March' 2012	126,018.00
Final dividend for 2011-12 declared in July '12	134	468631	March' 2012	937,262.00
Interim Dividend for 2012-13 declared in January '13	202	511382	March' 2013	767,073.00
Final dividend for 2012-13 declared in July '13	202	725249	March' 2013	1,450,498.00
Interim Dividend for 2013-14 declared in October '13	208	780530	March' 2014	1,951,325.00
Interim Dividend for 2013-14 declared in January '14	198	698165	March' 2014	698,165.00
Final dividend for 2013-14 declared in Apr'14	291	612005	March' 2014	1,530,012.50
Interim Dividend for 2014-15 declared in July '14	345	657550	March' 2015	657,550.00
Interim Dividend for 2014-15 declared in Oct '14	383	739421	March' 2015	1,109,131.50
3rd Interim dividend for 2014-15 declared in January '15	443	2509030	March' 2015	1,881,772.50

37 Reporting of Segment Wise Revenue, Results and Capital Employed:

(₹ in Lac)

Particulars	Period ended March 31, 2015	Year ended March 31, 2014
1. Segment Revenue (net sale / income from each segment should be disclosed		
a. Segment - A (USA)	36,157.04	32,586.56
b. Segment - B (ROW)	1,485.41	5,601.09
Total	37,642.45	38,187.65
Other Income		
Segment - B (ROW)	1,164.82	732.66
Total	38,807.27	38,920.31
Less : Inter - segment revenue	-	-
Net Revenue from Operations	38,807.27	38,920.31
2. Segment Results Profit/(Loss) before Tax & Interest from each segment		
a. Segment - A (USA)	10,376.72	8,425.81
b. Segment - B (ROW)	1,476.02	1,441.05
Total	11,852.74	9,866.86
Less : Interest	37.92	87.81
Less : Depreciation	554.83	547.67
Less : Unallocable Selling , General & Administrative Expenses	1,322.16	1,484.87
Profit before tax	9,937.82	7,746.50
3. Capital Employed		
Total Assets	24,398.60	20,132.98
Total Liability	24,398.60	20,132.99

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 '2015

38 Disclosure under clause 32 of the listing agreement amount of loans and advances outstanding from subsidiary

(₹ in Lac)

	March 31, 2015	March 31, 2014
Outstanding as on		
Responsive Solution Inc	NIL	NIL
RS Software (Asia) Pte Ltd	NIL	NIL
Maximum balance outstanding during the period		
Responsive Solution Inc	34.98	59.51
RS Software (Asia) Pte Ltd	618.28	486.44

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 1956.

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
Dated: April 17th, 2015
Place : Kolkata

V. Surana
CFO & Company
Secretary

S. K. Jain
Director
DIN : 00047474

R. R. Jain
Chairman
& Managing Director
DIN : 00122942



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 Seventh Annual General Meeting of the company, to be held on 10th day of July, 2015 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, 2015.
2. Ordinary Resolution to declare a final dividend @ 25% i.e. ₹1.25 per equity share and to confirm the interim dividends for ₹1.00 per equity share, ₹1.50 per equity share and ₹0.75 per equity share, already paid during the year for the financial year ended March 31, 2015.
3. Ordinary Resolution to appoint a Director in place of Mrs. Sarita Jain (holding DIN 00206743), 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.

Signed this..... day of 2015.

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 RABINDRA TIRTHA, 33-1111, Major Arterial Road, 3rd Rotary, New Town, Kolkata – 700 156 at 11:30 am on Friday, July 10, 2015.

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



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 3, 2015, 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 3, 2015 (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...../...../15

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...../...../15

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