

2010 - 2011
ANNUAL REPORT



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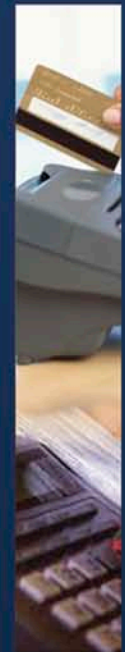
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Mr. R. R. Jain is Chairman and Managing Director of your Company. He started his professional career as a Software Systems Analyst in Los Angeles, after completing his MBA from California, USA. In 1989, he became an independent Consultant and returned to India to create his entrepreneurial venture, R S Software (India) Ltd. From the very onset, he emerged as a pioneer of sorts and demonstrating leadership traits and foresight, he brought the IBM 390 technology to India. A member of TIE (The Indus Entrepreneurs) and YPO (Young Presidents Organization), Mr. Jain is also a member of the Executive Council of NASSCOM. In 1999, he was elected Chairman of NASSCOM by its Executive Council and currently serves as a member of the Chairmen Emeritus. In 1999, Ernst & Young acknowledged his entrepreneurial success by conferring on him the top 20 'Outstanding Entrepreneur of the Year Award'. Mr. Jain's outstanding profile and innovative approach undoubtedly makes him an exemplary figure in the software industry.



Mr. S. K. Jain has over 31 years of banking experience with Citibank spread across geographies including Hong Kong, Taiwan, Philippines, Thailand and Canada. He played a lead role in establishing the credit discipline and process for Consumer Banking in Citibank. Mr. Jain is a Fulbright scholar and has done his MBA from Indiana University, USA. He was also an elected member of Beta Gamma Society.

Mr. Richard Launder has over 20 years experience in the Payments industry. He strengthens RS sales development with his background in strategic selling, building sales teams and providing leadership in various marketing initiatives. With a keen insight, experience and knowledge of the overall payment's market, he was instrumental in forming a Payments company, in addition to generating over \$130 million revenue with one of the largest software companies in the payments industry.



Mr. R. Ramaraj, was the Co-Founder and CEO of Sify Limited, the pioneer and leader in Internet, Networking and eCommerce Services in India. He was recognized as the 'Evangelist of the Year' at the India Internet World Convention in September 2000 and in 2001, in a CNET.com poll in India, he was voted the IT Person of the Year 2000. Currently, Ramaraj is the Senior Advisor at Sequoia

Capital and is a member of the Global Board of Trustees of TiE (The Indus Entrepreneurs). He is the first Indian to be invited to the Board of Directors of ICANN (Internet Corporation for Assigned Names and Numbers). MBA from IIM Kolkata is currently on its Board as well.

Mrs. Sarita Jain has been Director, RS Software, since the company's inception. She holds a Masters degree in English Literature and a Diploma in Mass Communication and Home Science.





Mr. R. R. Jain
Chairman and Managing Director



Mr. Ravi Chandran is Executive Vice President, Business Development and is based out of US. He has an industry experience of over 29 years. After working for CMC and IBM in senior advisory roles for 15 years, he set up his own company Tecsol in Singapore promoting an ERP package from India. Subsequently he merged

Tecsol with Caritor. While in IBM, Ravi was involved when the Mainframe was acquired by RS. His key strengths lie in planning and executing market entry strategy for products and services, ability to abstract the value proposition from technology solutions, and an in-depth understanding of the benefits and challenges of the offshore delivery model.

Mr. Vijendra Surana, CFO & Company Secretary, FCA, MBA, ACS, AICWA has over 15 years of Corporate Experience. Having worked for companies engaged in Merchant Banking, Financial Services, Logistics, Mineral & Metals and IT, complemented with his qualification, he has acquired expertise in various facets of Corporate Finance.



Mr. John Connolly is Sr. Vice President, Business Support. With more than 30 years experience in the Payments Industry, John has in-depth knowledge of Payment Systems and an excellent grasp of high volume transaction processing, having implemented a number of large & complex payment applications. Based in the United

States, John started his career at American Express in 1972, working with their Authorization system. At Visa International where he spent close to 20 years, and was involved in various key successful deliverables. He assisted in the concept of a Joint Visa MasterCard Payment product called Entrée and initiated the reengineering of the Visa Authorization Systems.

Mr. Aniruddha Rai Chaudhuri is General Manager, Quality & Benchmarking. A science graduate and Certified Quality Analyst he possesses over 15 years experience in the software industry in project management, business process re-engineering, designing and implementation of quality systems, resource

management and competency development. His vision is to see R S Software emerge as one of the top five software companies in the world.





Mr. Sumit Misra, General Manager has more than 19+ years of experience in IT with 12+ years of experience dedicated to technical lead / project lead / project manager positions. At RS he leads the Competency Group, and looks after other innovation initiatives. He holds a M.E. in Electronics and Telecommunication

Engineering from Jadavpur University and is a TOGAF Certified Practitioner.

Col Perminder Singh Gill, Deputy General Manager, Operations & Support is responsible for Infrastructure Management, Physical & logical Security, Purchase, House Keeping, Vendor & Transport Management, Facilities, Assets, Management of Customs and Central Excise Issues, and Personnel

Administration. He was with the Indian Armed Forces for almost 25 years. Prior to joining RS, he was heading the Discipline & Vigilance Branch in the Headquarters of Eastern Command, Kolkata.



Mr. Sanjay Guha, Deputy General Manager heading multiple accounts has a successful track record of over 19 years, involved in Project & Delivery Management of Products/Solutions for the Financial Services sector involving Payment System, with specific focus on Credit Card segment, Prepaid/ Stored Value

Card domain, Merchant Boarding, Agent Residual Management, Chargeback & Dispute. He is a certified Project Management Professional from PMI (USA) and trained on Enterprise Architecting.

Mr. Kallol Ghosh, Deputy General Manager is Delivery Head and responsible for entire Delivery to the largest customer. He has over 20 years of industry experience in providing application software solutions, and developing, implementing and managing applications supporting high volume transactions. Kallol has

worked for multiple onsite-offshore projects across multiple locations with the world's largest payment network, and has handled multiple projects, across multiple technology platforms through which he has gained in-depth knowledge of the onsite-offshore outsourcing model.





NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of R S Software (India) Limited will be held on Wednesday, July 20, 2011 at 11 a.m. at Aikatan Cultural Centre, Eastern Zonal Cultural Centre, IA- 190, Sector III, Salt Lake City, Kolkata 700 097 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31.03.2011 and Profit & Loss Account for the year ended on that date together with the Report of Auditors and Directors thereupon.
2. To declare a dividend on Equity Shares.
3. a) To appoint Director in place of Mr. R. Ramaraj who retires by rotation and being eligible offers himself for re-appointment.
b) To appoint Director in place of Mrs. S. Jain who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

“Resolved that pursuant to the provision of Sec 224 and other appropriate provision, if any, of the Companies Act 1956, Messrs Chaturvedi & Company who retire at the conclusion of the Meeting be and are hereby re-appointed as Statutory Auditors of the company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company”.

SPECIAL BUSINESS

5. To consider and, if thought fit to pass, with or without modifications the following resolution:

“Resolved that the Company do hereby approve re-appointment of Mr. R. R. Jain, Chairman and Managing Director (CMD) as the Chairman and Managing Director of the Company for a period of three years with effect from 1st October 2011 the date when the last contract with CMD expires on remuneration payable as proposed below and as determined by the Board of Directors of the Company and specified hereunder in accordance with and subject to the conditions of Schedule XIII of Companies Act and any other applicable provisions under the said Act:

Particulars	Remuneration (Rs.)
Basic	300,000.00
HRA	150,000.00
Monthly Gross	450,000.00
Yearly Gross	5,400,000.00
Annual Benefits	
Medical subject to production of bills limited to	300,000.00
LTA subject to production of bills limited to	300,000.00
PF@ 12% on Basic	432,000.00
Gratuity @ 15 days salary for each completed year of service	173,077.00
1% of Net Profit capped to a maximum of Rs. 14 lacs.	1,400,000.00
Grand Total per Annum	8,005,077.00
Other Allowances	
Club Fees in India subject to maximum of two Clubs	At actual.
Chauffer driven Car	Fuel at actual.
Reimbursement of telephone of residence used for official purpose	All actual.

Note: CMD, Mr. R. R. Jain will be entitled to reimbursement / payment of all entertainment, travelling, hotel & other expenses inclusive of such foreign allowances as may be permissible under the RBI and other applicable rules incurred by him during the course of and in connection with the business of the Company whether incurred in India or in abroad.

“FURTHER RESOLVED that the above package would be effective for a period of three years effective from 1st October 2011 and ending 30th September 2014 and that the above remuneration would be paid as minimum remuneration in case of inadequacy of profits as per the limits under the Government Notification No. GSR (E) dated 16/01/2002 under the Companies Act.”

6. To consider and, if thought fit to pass, with or without modifications the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification(s) or re-enactment thereof] and subject to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions as may be prescribed or imposed while granting such approvals and which may be agreed to or accepted by the Board of Directors (hereinafter referred to as “the Board” which expression shall include a committee thereof) at its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant options out of the same ceiling of 20,00,000 stock options as approved by the Shareholders at the Annual General Meeting held on July 24, 2010 for the Company:

- 1) to the eligible Employees of the Subsidiary Companies working in India or out of India;
- 2) to the Directors of the Subsidiary Companies whether in India or outside India, whether whole time directors or otherwise excluding Promoters.”

“Further Resolved that the aforesaid ESOS Scheme shall conform to the Accounting Policy as specified in Clause 13.1 of SEBI (ESOS & ESPS) Guidelines, 1999, as amended.”

“Further Resolved that the Company’s ESOP Scheme shall be applicable to the employees of the Subsidiary Companies in India or outside India and the Directors of the Subsidiary Companies whether whole – time or otherwise.”

By Order of the Board

Registered Office:
234/3A, A.J.C. Bose Road
Kolkata – 700 020
April 19, 2011

Vijendra Surana
CFO & Company Secretary

NOTES:

- a. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 5 & 6 is set out in the Notice is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF 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.
- d. The Register of Members and Transfer Books of the Company will remain closed from July 14, 2011 to July 20, 2011 (both days inclusive). Dividend for the year ended March 31, 2011, at the rate of Rs.2/- per fully paid-up equity share, if declared at the Meeting, will be paid after July 21, 2011 within 30 days from the date of AGM:
 - (i) To those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on July 20, 2011 after giving effect to all valid transfers in physical form lodged on or before Wednesday, July 13, 2011 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 Wednesday, July 13, 2011.
- e. 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), in order to avoid fraudulent encashment of dividend warrants. Members holding shares in physical form are requested to send to the Registrar and Transfer Agent of the Company, on or before July 13, 2011 a 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.
- f. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc., to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
- g. Pursuant to the requirements on corporate governance under Clause 49 of listing agreements entered into with stock exchanges, the information about the Directors proposed to be re-appointed is given in the Directors' Report.
- h. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.rssoftware.com
- i. 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.
- j. All the documents referred to in the Notice and Explanatory Statement 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.
- k. Shareholders holding shares in demat mode and intend to receive the Annual Report in physical form in future years 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.

By Order of the Board

Registered Office:
234/3A, A.J.C. Bose Road
Kolkata – 700 020
April 19, 2011

Vijendra Surana
CFO & Company Secretary

EXPLANATORY STATEMENT TO THE ITEM OF SPECIAL BUSINESS SET OUT IN THE ANNEXED NOTICE

Item 5

The current tenure of Mr. R. R. Jain, Chairman & Managing Director (CMD) who was re-appointed on 1st October, 2008 for a period of three years vides shareholders' approval in the AGM held on 31st July, 2008 is due for renewal. The reappointment will fall due for renewal w.e.f. 1st October 2011 when Mr. Jain will be completing his three years Contract with the Company.

Having regard to the fact that the Company's achievement for the past couple of years in its operational matters has been highly satisfactory and there has been at the same time escalation in the remuneration package of the CEO's in identically placed positions in the Corporate Sector, it is proposed to re-appoint and increase the emoluments of the CMD for the next tenure of three years in the manner brought out in the tabular statement in the Notice. The growth and progress of the Company in the immediate preceding period has been possible due to the dynamic leadership of Mr. R. R. Jain. The revenue of the Company has touched US\$43.78 million in 2010-11. The Company is now on a growth path and is bound to do better in the coming years. This

has been rendered possible largely due to the top class professional and pioneering competencies displayed by the CMD and his devoted band of functionaries.

The proposed new package for Mr. R. R. Jain is still quite modest from the Comparative Industry Standard and is recommended by the Board.

The Board recommends the same for the adoption by the General Body. No Directors except Mr. R. R. Jain and Mrs. S. Jain (his wife) have any interest or are concerned in the proposed resolution already adopted by the Board in which none of the aforesaid two interested Directors participated either in the discussion or voting.

Item 6

The Company's ESOS Scheme having 2000000 Options already approved by the Shareholders at the Annual General Meeting held on 24th July 2010. In accordance with the SEBI (ESOS & ESPS) Guidelines, 1999 it is required to pass a separate resolution at the General Meeting for granting options to the employees and Directors of the Subsidiary Companies whether in India or outside India out of the same ceiling of 2000000 Options as approved by the Shareholders in the last Annual General Meeting. The Remuneration Committee would decide on the vesting and the exercise period for Employees of the Subsidiary Companies which include Directors excluding the Promoters. The Board of Directors recommends the approval by the shareholders of the Employee Stock Option Scheme (ESOS) to the eligible Employees and Directors of the Subsidiary Companies as well.

The information for ESOS as per SEBI (ESOS & ESPS) Guidelines, 1999, as amended is as follows:

- (a) The total number of options to be granted: 2000000 options.
- (b) Identification of classes of employees entitled to participate in the ESOS:
 - Permanent employees of the Company and of its Subsidiary Companies, whether working in India or outside India; and
 - Directors, whether whole time or not, of the Company and of its Subsidiary Companies, whether working in India or outside India, excluding the Promoters.
- (c) Requirements of vesting and period of vesting: The Employees Stock Options to be granted to the Employees / Directors shall vest in a minimum period of one year and a staggered vesting period over 4 years from the date of grant of options. 25% of the total options granted to an employee will become vested after each year from the date of grant of the options and for Directors 100% of the total options granted will become vested after one year from the date of grant of the options.
- (d) Maximum period within which the options shall be vested: Maximum period of 4 years from the date of grant of options for the employees and maximum period of 1 year from the date of grant of options for Directors.
- (e) Exercise price or pricing formula: Exercise price will either be equal to the market price of RS shares on the date of grant or alternately a price recommended by the Evaluation Committee, and approved thereafter by the Remuneration Committee. For the purpose of the market price it will be determined as per the SEBI Guidelines on ESOS.
- (f) Exercise period and process of exercise: 25% of the total options granted to an employee will become vested and will be eligible to exercise the options by the employees after each year from the date of grant of the options and for Directors 100% of the total options granted will become vested and will be eligible to exercise after one year from the date of grant of the options.
- (g) The appraisal process for determining the eligibility of employees to the ESOS: The appraisal process for determining the eligibility of the Employees will be specified by the Remuneration Committee and will be based on the criteria such as performance record, role & criticality of the employees, future contribution potential of the employees and /or such other criteria as may be determined by the Remuneration Committee at its sole discretion.
- (h) Maximum number of options to be issued per employee and in aggregate: The maximum number of options that may be granted in any financial year to any specific employee under the ESOS shall not exceed 1% of the total issued capital of the Company.