



RS Software.
Preparing for the
cardless-cashless
economy

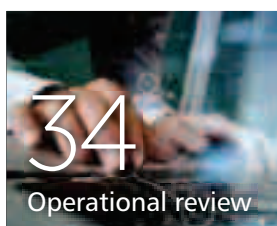
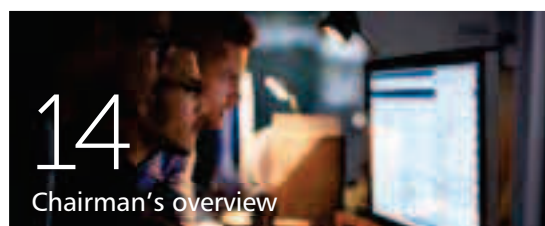
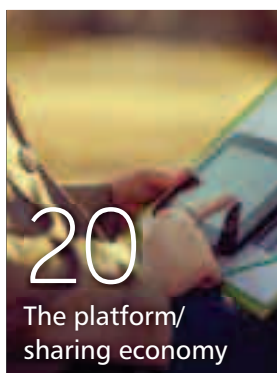
FORWARD-LOOKING STATEMENT

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

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

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

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



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





You visit 'malls' without stepping out.

You take a taxi ride and don't pay.

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

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

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

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

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

So what's new?

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

What is new is computing capacity.
Larger. Faster.

Computing capacity
has reached an
inflection point.

Triggering disruptions
across diverse
domains.

Kickstarting sweeping
innovation.

Transforming our
world.

*Benefiting companies
like RS Software.*

Only 33% of the

30

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

The ocean of a cardless-cashless opportunity

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

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

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

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

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

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

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

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

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

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

The Asia factor

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

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

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

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

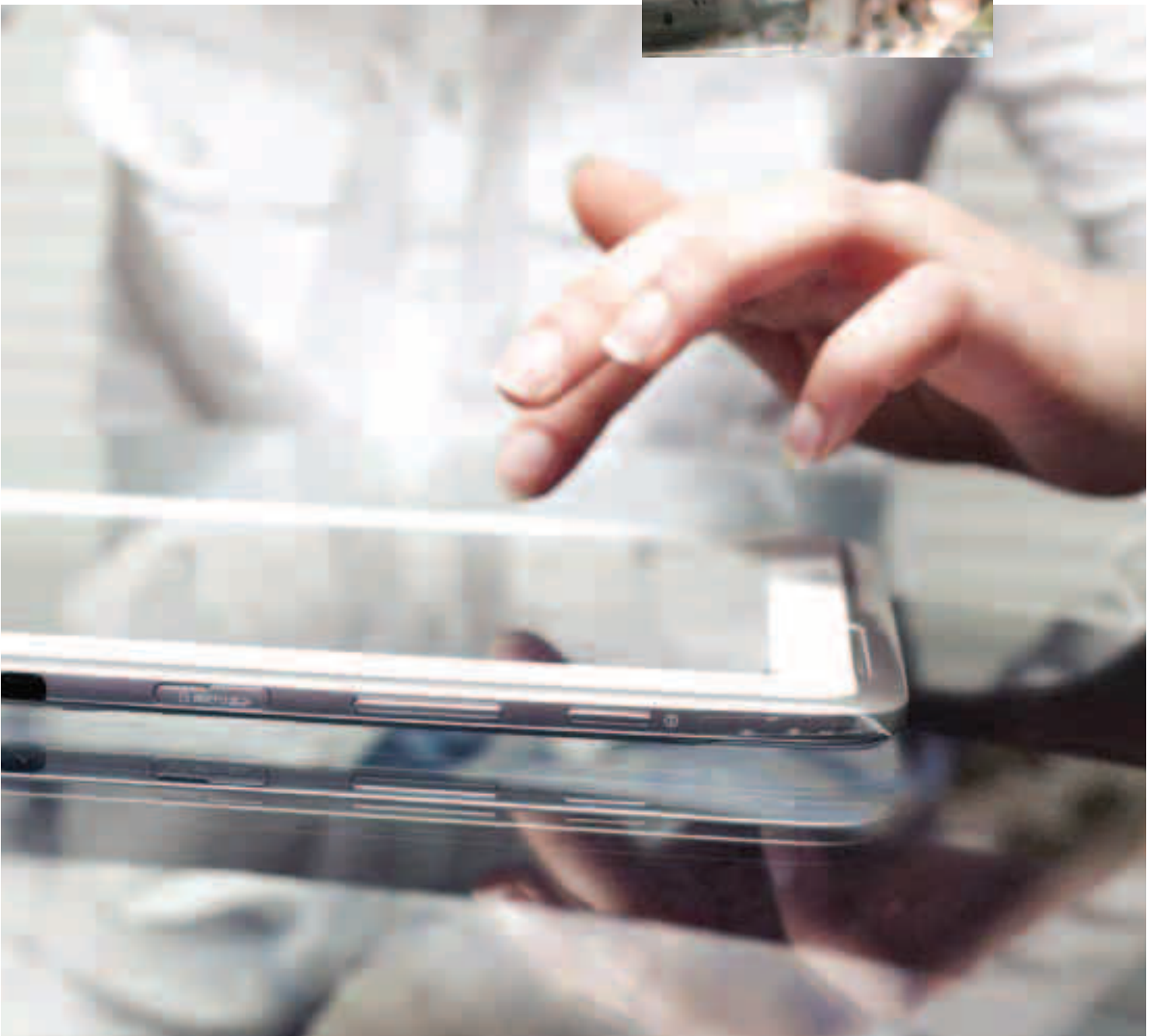
The fundamentals are in place. Even as China's population was 3x the United States, its total consumer spending was only a fifth of the United States.

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

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



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



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

90%

of all purchases