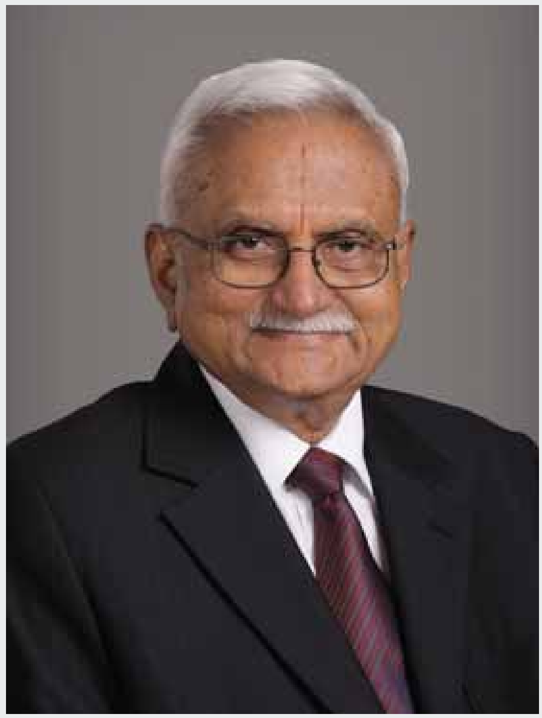
ramco

PEOPLE. PRODUCTS. PASSION.

The starting points of success.

ANNUAL REPORT 2016-17

ramco



REMEMBERING A VISIONARY

SHRI P R RAMASUBRAHMANEYA RAJHA

Chairman, RAMCO Group of Companies

4th July 1935 - 11th May 2017

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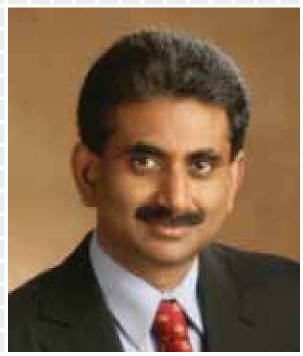
BOARD OF DIRECTORS



Shri P R Venketrama Raja
Chairman

Shri P V Abinav Ramasubramaniam Raja
Whole-time Director

Shri M M Venkatachalam

Shri V Jagadisan

Shri A V Dharmakrishnan

Shri R S Agarwal

Smt. Soundara Kumar

Auditors: Messrs CNGSN & Associates LLP, Chartered Accountants, Chennai

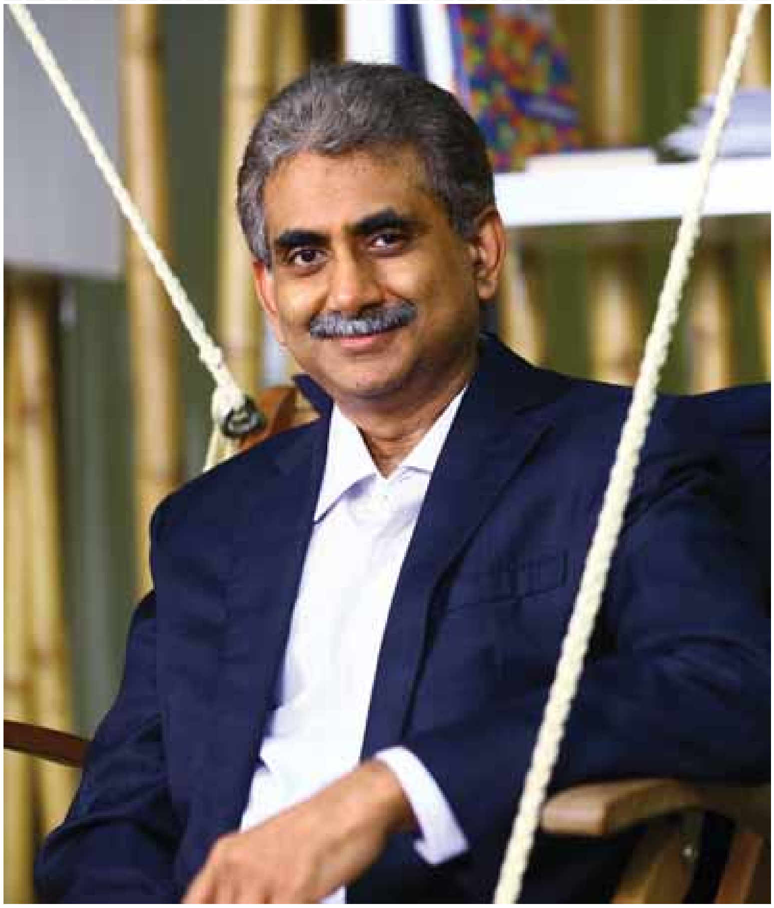
Bankers: Axis Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, Yes Bank Limited

Registered Office: No. 47, P. S. K. Nagar, Rajapalayam - 626 108

Corporate Office & Research and Development Centre: No. 64, Sardar Patel Road, Taramani, Chennai - 600 113

Subsidiaries: Ramco Systems Corporation, USA, Ramco Systems Ltd., Switzerland, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Sdn. Bhd., Malaysia, RSL Enterprise Solutions (Pty) Ltd., South Africa, Ramco Systems Canada Inc., Canada, Ramco Systems FZ-LLC, Dubai, RSL Software Company Limited, Sudan, Ramco Systems Australia Pty Ltd, Australia, Ramco System Inc., Philippines and Ramco Systems (Shanghai) Co. Ltd., China

Registrar and Share Transfer Agent: Messrs Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai - 600 002



Dear Shareholders,

As we bid adieu to our Chairman, a legendary visionary and a man who I hold dearest to me, I take a minute to reflect on the journey he has travelled and the path charted out for the institutions he has built.

My father was a simple man. He took on the mantle of managing the business at a very young age and had since then through his sheer dedication and hard work built the Ramco Group to what it is today. He leaves behind a rich legacy where values, ethics, culture and community development are the pillars on which the Group's equity and goodwill is built.

Under his guidance and mentorship, the group has expanded into global markets. And with professional leadership at the helm as the driving force, we have a clear vision charted out for the future.

Today, as I take on the responsibility of Chairmanship, I am humbled to be holding the reins of a billion-dollar group which has deeply ingrained in it the core values, principles and culture that have been passed on from generations.

As I take the institutions forward, I will strive to continuously hold and build on the rich legacy and work towards further improving shareholder value.

Moving on to the business performance, I am happy to share that your company continued its global expansion and signed marquee clients across product lines and geographies. With order book growing at a steady pace, the future holds exciting possibilities for all of us.

It is important that organizations are adaptive and agile to change. Large enterprise application vendors who failed to adapt to technological changes have seen their market share being taken over by new-age companies. While one cannot predict what disruptions are in the anvil, it is important that we remain innovative, open minded and ready to explore new opportunities.

At Ramco, we have constantly strived to be the early movers in exploring new technologies and developing applications that help address business pain points. It is this strive to be ahead of the Innovation curve that drives many large multinationals and global MNCs to strike a partnership with us.

From Artificial Intelligence to Augmented Reality; Machine Learning to Natural Language Processing; our R&D labs are busy exploring how these technologies can deliver value to businesses. It is this penchant to deliver continuous value through innovation that differentiates us from competition. By applying this to our core areas of strength – Aviation, Logistics, and HR – we have a success formula to offer.

Interestingly, the financial year witnessed two of the Global leaders in Aviation OEM partner with us to leverage our offerings. Our ability to retain and ensure clients upgrade to the latest suite has been remarkable. We saw multiple large aviation companies go live on the latest suite which brings unmatched Mobility and Usability improvements.

On HCM front, our Multi-country Payroll coverage added with platform based approach to services has been a winning combination. In addition to winning customer trust, Ramco HCM with Global Payroll has been getting thumbs up from Analysts and Advisors too. From being ranked as Leader in NelsonHall's NEAT Matrix to being adjudged an 'ACHIEVER' in Everest Group's Multi-Country Payroll Platform report, the year ended with the product winning the 'HR Vendor of the Year' award across Singapore, Malaysia and Hong Kong.

ERP continues to show rapid progress especially with Logistics vertical picking up good momentum. The ability to spot opportunity and building a comprehensive application to address the vertical specific business needs has helped us create a unique standing in the Logistics segment. The year ahead will be crucial as we scale our presence across the mid-market Logistics organizations, globally.

Overall, FY 2017 has given us a firm footing in the cloud enterprise market. We thank our stakeholders for being the wind beneath our wings. As we set our goal to fly higher, here's looking forward to your continued support in this journey towards building a globally recognized enterprise applications company, from India.

Thank you,

P R Venketrama Raja
Chairman

PIXEL

A great finish is always born from a great start.

And a great start depends on what you start with.

If the ingredients are spectacular, the recipe is too.

What goes in determines what comes out.

That's why at Ramco, we obsess over our fundamentals, our core, our DNA.

And we couldn't think of better building blocks than **Innovation and Culture**.

The finest cornerstones that form the foundation of whatever we do.

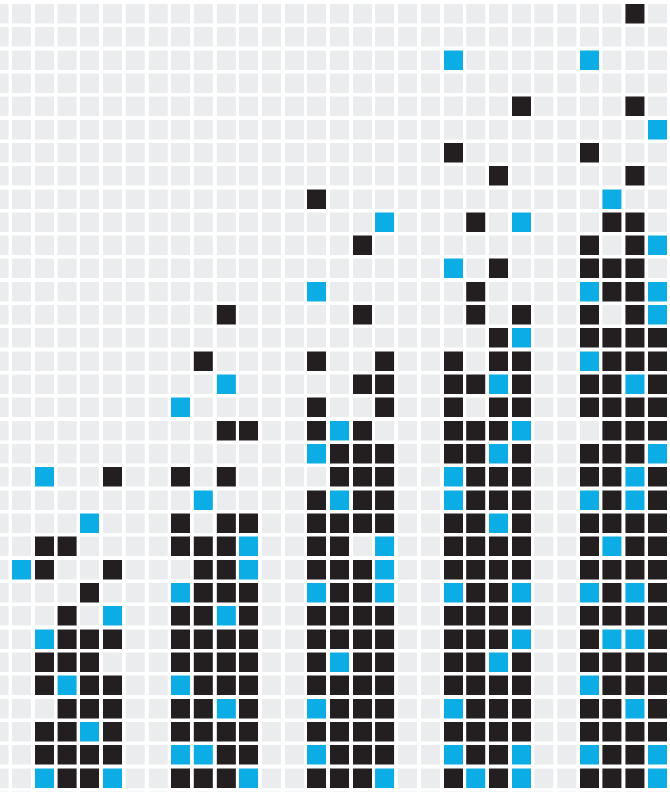
No wonder we chose the Pixel as our theme for this year's Annual Report.

It is one of the basic building blocks of technological advancement.

The glorious manifestations of today's technology are in the countless displays of phones, tablets and computers world over.

All born out of the simple Pixel.

Through this Annual Report, and through Pixel, Ramco humbly salutes every great organization that reminds itself that when you infuse your fundamentals with the finest, you end up growing into the finest.



CULTURE + INNOVATION = BUSINESS PERFORMANCE

REPORT OF THE BOARD OF DIRECTORS

Your Board has pleasure in presenting the Twentieth Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2017.

1. FINANCIAL RESULTS

The standalone and consolidated audited financial results for the year ended 31st March 2017 and 31st March 2016 are as follows:

Particulars	Standalone for the year ended 31st March		Consolidated for the year ended 31st March	
	2017	2016	2017	2016
	(Rs. Mln.)		(Rs. Mln.)	
Revenue from Operations	**2,779.41**	2,620.99	**4,491.77**	4,409.45
Other Income	**97.71**	28.79	**101.44**	24.57
Total Revenue	**2,877.12**	2,649.78	**4,593.21**	4,434.02
Expenditure				
- Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	**2.06**	(2.13)	**2.06**	(2.13)
- Purchase of Stock-in-trade	**7.19**	23.14	**35.58**	25.55
- Employee Benefits Expense	**1,059.71**	1,138.60	**2,060.33**	1,986.81
- Other Expenses	**1,239.05**	791.61	**2,310.26**	1,599.43
Total Expenses	**2,308.01**	1,951.22	**4,408.23**	3,609.66
Profit Before Interest, Depreciation & Amortisation & Taxes	**569.11**	698.56	**184.98**	824.36
Depreciation and Amortisation Expense	**464.26**	454.60	**477.60**	461.66
Finance Costs	**12.68**	35.69	**13.35**	35.96
Profit Before Tax	**92.17**	208.27	**(305.97)**	326.74
Share of profit/(Loss) of an associate	-	-	**1.50**	4.03
Tax Expenses				
- Current Tax	**52.12**	65.14	**67.62**	89.05
- Deferred Tax (including MAT credit)	**(466.73)**	-	**(480.85)**	-
Net Profit After Tax	**506.78**	143.13	**108.76**	241.72
Other comprehensive income (OCI)	**16.94**	(6.08)	**(5.55)**	(4.55)
Total comprehensive income	**523.72**	137.05	**103.21**	237.17

2. BUSINESS OPERATIONS

The details of the business operations appear in the following pages.

CULTURE

Creating an environment that fosters fresh thinking and fast-forwards fabulous ideas.

Culture is that competitive edge that cannot be copied or duplicated. It is built and nurtured over years. Building a corporate culture is like running a marathon, where one needs to maximize movements for endurance. Our stern belief in Culture + Innovation = Business Performance has become the DNA of the organization. At Ramco, we embarked on the journey towards building a culture where Employees feel Healthy, Happy and Energized. A Culture where people gladly say, "Thank-God-It's-Monday!".

Over the last two years, we have successfully created and fostered an environment where our employees are encouraged to understand, like and find satisfaction and value in the work they do. The desire to create a multi-cultural, multi-linguistic environment where employees, irrespective of their nationalities, galvanize each other and work towards a common goal is getting realized. This has been successfully seeping across the organization.

Having instilled our motto in all that we do at Ramco, this year the focus was on employee fitness, with due weightage to every aspect – physical, mental and social well-being. But, Why Fitness?

Fitness inspires confidence, which in turn inspires leadership.

A fit employee need not be nudged. Setting goals and working diligently towards them comes naturally to him/her.

Our cultural transformation took on a fitness challenge and we encouraged fitness before, during and after work hours at Ramco.

Eat right, Live well

With our enhanced focus around healthy living, Ramco re-launched FIKA 2.0 – an artsy café where taste meets health. At FIKA 2.0, it's all about eating tasty yet healthy food. The quirky design and the pleasant ambience of the café are aesthetically pleasing and relaxing for our employees as they enjoy their delicious snacks. Ramco's cafeteria, TGIM – Thank-God-it's-Monday enjoyed another year of limelight and love from employees with its regular and lean & lite meal offered at subsidized rates.

Taking 'healthy' a notch further, we tied up with a renowned city-based general physician to offer 'free' medical consultations to employees and their family members. In addition, weekly informative medical insights were shared from the physicians' desk which were well received by the associates.

Working on yourself, for yourself, by yourself

Our "stretch a little at work" campaign garnered increased walk-ins this year from our zealous employees. Opting for a healthy break, while working on their stress levels and their bodies, Ramco's Yoga and Zumba classes were the go-to avenues for Ramco-ites! Our cross-fit sessions - the mega stress-buster workouts - saw quite a bit of traction as well.

Ramco continued its partnership with 'Wassup' to provide subsidized and easy access to Laundry & Dry Cleaning services at company premises. In addition to washing away laundry woes, we also extended the service to offer car cleaning services at the office premise. Not just clothes, but your cars too wear a shiny look when at Ramco.

Healthy mind nurtures Healthy Ideas

Ramco has been a flower bed for innovative ideas to take wings. To nurture budding new ideas and channeling energy towards breeding next gen of entrepreneurs, a novel initiative titled Grey Matters was launched. Teams across departments battled it out to present their ideas which either led to Process improvements, customer experience enhancement or have an impact on bottom line. The winning proto-type idea around leveraging HoloLens in Aviation Maintenance won a cash prize of Rs. 100,000/-.

Thanking our employees for being awesome

Apart from the Annual appraisals, at Ramco we believe in recognizing employees on every possible aspect. At an organization level there are numerous initiatives taken to recognize, reward and celebrate success at Ramco –

"Pat on the Back" Quarterly Awards were rolled out to recognize individual and team efforts that have made a significant contribution to goals and objectives of the Business units.

The Elevator program was initiated to create, mould and groom a pool of young talent into leaders of tomorrow.

Informally managed and self-regulated Leadership Promotion Assessments, for employees who are in Managerial cadre and above, has been an eye opener in identifying potential leaders at next level.

On the entertainment front, Ramco Talent Hunt 2017 gave Ramco-ites a great platform to showcase their hidden talents and truly bring out their creative side.

Besides driving business, Ramco also helps employees indulge and pamper themselves often. We did not restrict our engagement to the four walls of Ramco. This year saw the commencement of RAMCO TREATS - an initiative to bring out smiles beyond our office. Ramco collaborated with various spas, fitness clubs and restaurants, to offer employees some fantastic deals and exclusive premium offers.

A key feature of our HR product also got to be tested in home turf. Ramco's EMPSENSE developed to instantly capture employee mood, gave us interesting perspective on the 'happiness index' across the organization. A detailed analytics of the data provides patterns and trends to better engage and inspire employees.

But that's not all… based on the analytical data collected from EMPSENSE, various other correlated surveys were conducted. eSAT and Pulse Check surveys were conducted across organization to understand the happiness index of the company.

Learning is the eye of the mind

At Ramco we strongly believe in professional learning. Learning at work creates a sense of commitment and vision amongst the team members, empowering them to work together and achieve goals. During the year, we successfully launched and conducted various workshops and training sessions, to further kindle interest amongst the employees –

- Community of Practice, a knowledge sharing session where employees within the SBU gather to share their implementation experience, new releases in the product both technically and functionally. This ensures constant flow of information across the organization/ business unit and provides required knowledge to employees on their day to day work

- A first-ever workshop on Emotional Intelligence was also organized during the year, to help employees increase their awareness towards self and other's emotions.

- A workshop on Stress Management was organized to further alleviate common symptoms of stress at work

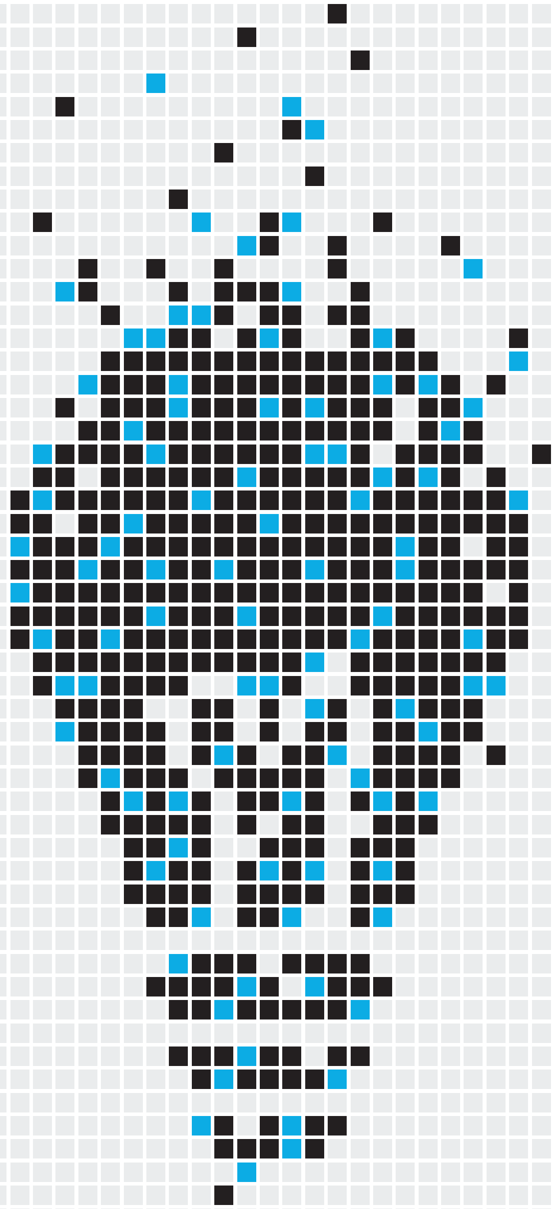
- First Time Managers were put through an eye-opening workshop, which gave them a different perspective of their new role from an individual contributor to a Manager

- All campus joiners had access to pre-joining learning kit a month before joining Ramco through Mindtickle and Pluralsight.

- An assessment centre was setup internally, for employees to take up internal certifications.

- Ramco also launched an internal Learning management System (LMS) for employees through Single Sign on.

All this and much more form the crux of the thriving #lifeatramco.



INNOVATION

Evolving with the times keeps you in play.
Envisioning the future keeps you ahead.

The Enterprise Applications market has witnessed numerous players in the past few decades. In this red ocean of enterprise applications, only a few could survive and grow. Each of them who have survived, have held a differentiation as key to their growth. At Ramco - we credit our thrust on being Innovation-centric as our uniqueness. While we have been investing time and efforts in being at the forefront of product innovation, this has in turn led to a significant business momentum. It is these notable incremental changes in the product that have been the key differentiators, helping us build interest and desire for Ramco's offerings.

The topic of Innovation and Technology have gained a lot more prominence and interest in the last few years, thanks to the disruptions that technology-driven business models have brought to the fore. This year too, our tech enthusiasts were busy reading the tea leaves to identify the 'big technology' that will make businesses sit up and take note.

After Mobility and Wearables, our Innovation lab has been betting on the world of Bots.

A Year of Bots – Is the Global Workforce Ready for the Rise of the Machines?

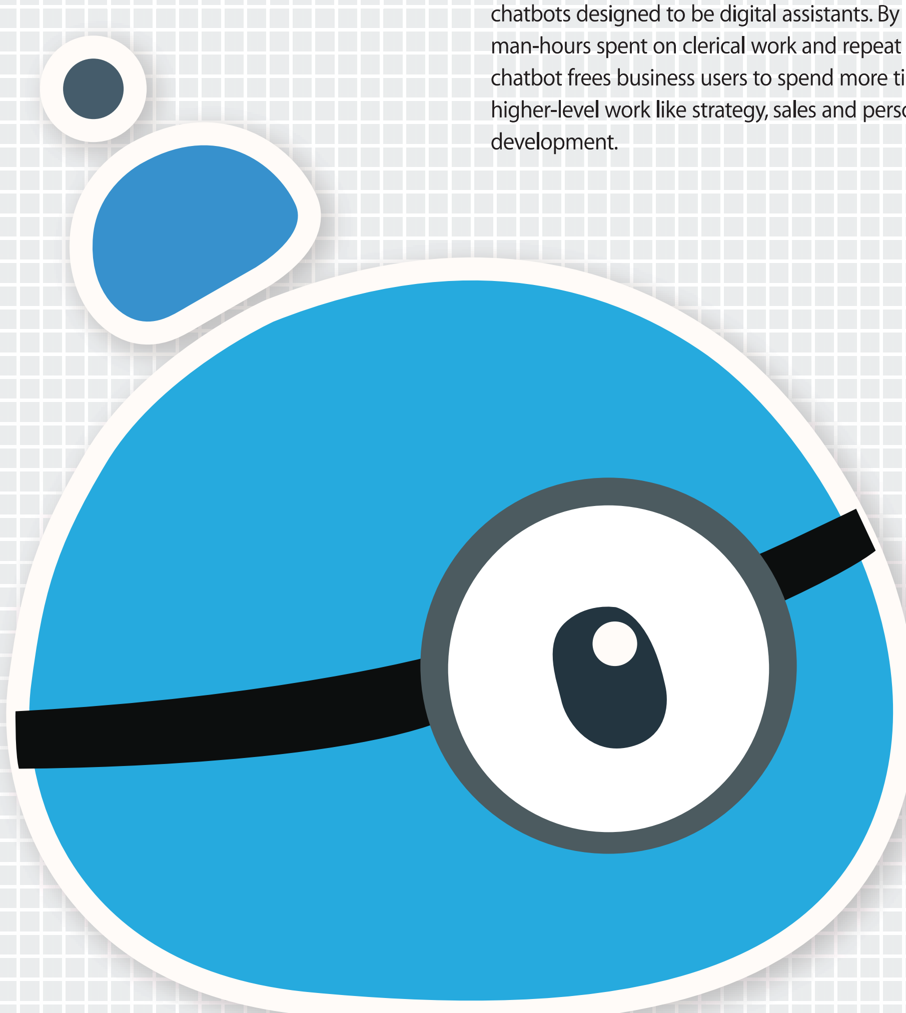
In today's hyper connected world, more companies are conducting business online, cloud-based productivity tools are dime a dozen, and staff are inundated with hundreds of real-time notifications from different menus and dashboards.

Ramco's solution to the mounting workloads: Leave the busywork to the bots!

Even as business sectors step up investments in the digital sector, and business-to-consumer (B2C) companies like Facebook roll out chatbots to streamline their customer interface, we at Ramco have been quietly revolutionizing the business-to-business (B2B) landscape.

In keeping with our mantra that conversation is the new UI, Ramco this year debuted multiple chatbots related to human resources, logistics and aviation, drawing on a wealth of expertise in machine learning.

More than messaging or productivity software, Ramco's chatbots designed to be digital assistants. By reducing the man-hours spent on clerical work and repeat queries, the chatbot frees business users to spend more time on higher-level work like strategy, sales and personnel development.



During the year, Ramco also developed aviation bots for Air France KLM Engineering & Maintenance, our partner at The MRO Lab Singapore. The Lab was launched in 2016 with the support of the Singapore Economic Development Board.

The MRO Lab Singapore has been working on many projects since launch: an app that analyses emotions based on voice, gesture computing, and Internet of Things-based sensors for part detection, among others. That said, the aviation bot is one of the Lab's most exciting developments.

The Ramco aviation bot supports many functions: component availability and procurement, aircraft on ground situations, customer relations and more. When an engineer presents it with a problem, a bot responds accordingly: by pulling up tutorial videos, patching in Maintenance Control or even ordering a missing part.

Simply designed to make jobs easier, bots can automate day-to-day duties of elementary and front-office roles thus ensuring time is invested in strategic, purpose-driven tasks. This will improve productivity, potentially slash labor budgets and let employees focus on what they do best.

For now, bots still perform low-level enterprise tasks such as basic customer transactions, data gathering and customer service. However, we at Ramco believe these bots are on the verge of disrupting the very nature of jobs.

Entering into the world of Augmented Reality with Microsoft –

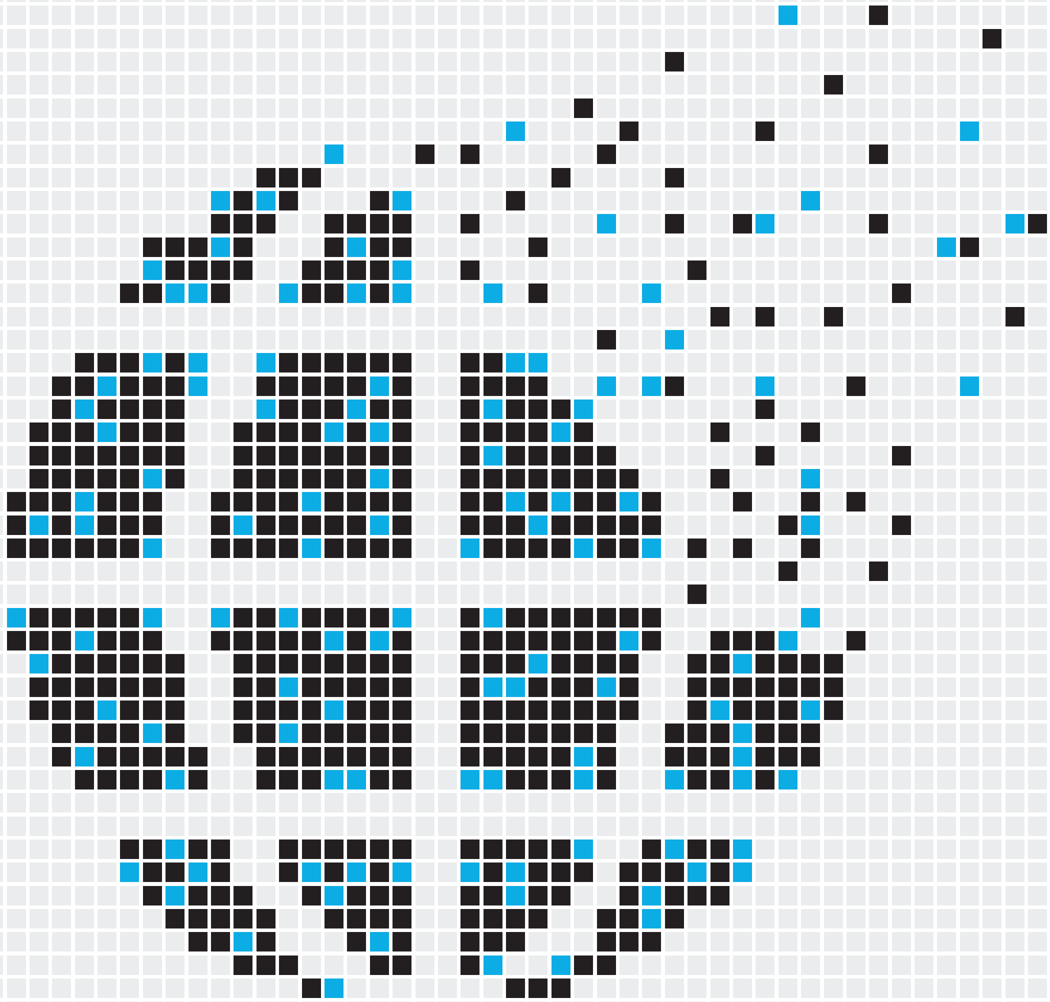
While Bots continue to disrupt the enterprise space, there's yet another technological revolution that is all set to disrupt the business landscape. The HoloLens from Microsoft promises to transform business operations by simplifying the routine complex day-to-day activities through interactive holograms. Enabling comprehensive collaboration and communication, HoloLens allows in-depth exploration of functionalities through specialized sensors and optics. An experience of augmented and mixed reality is delivered through an amalgamated digital interaction; and, Ramco in partnership with Microsoft has been betting big on offering this experience to a larger audience.

The MRO Lab Singapore also adopted the concept of HoloLens and is working on customizing it to generate effective solutions and use cases for the Aviation and Logistics industries.

Gesture Computing – Moving beyond touch and tap!

As well as the undoubted benefits of technology such as Bots and HoloLens, the MRO Lab is in parallel working on areas such as Gesture computing, so that, if a mechanic has their hands dirty or, for other reasons, cannot use a keyboard or touchscreen, they can simply employ gesture control where the system will perform all the intended actions.

In a nutshell, while Ramco is at the forefront of innovation, we believe that these technologies will transform the way people work in the future.



BUSINESS PERFORMANCE

Ramco

ERP:

The journey from 'Get-Set' to 'Go'!

With the traditional ERP market turning into a red ocean, we embarked on a journey to identify spots within the enterprise applications space to build a niche. Year 2015 – 16 marked the rebirth of Ramco ERP, thanks to the blue ocean opportunity identified in Logistics as a segment and Asset Management as a horizontal. This year (2016 – 17) we continued to focus our efforts in the direction, which helped us grow from strength to strength.

Ramco Logistics Software was carved out to address three sub-segments within Logistics – Third Party Logistics (3PL), Freight Forwarders and Network Service Providers. The ability of the solution to provide an integrated system covering TMS, WMS, Fleet Management, Order Management, Rating, Billing with Finance & HR, helped us give a compelling value proposition to the niche but fast growing Logistics Service Providers who hitherto had to depend on solutions built for shippers. The flexibility and ability of the application to address unique practices of the logistics industry has been a key driver behind our success.

While Mobility and In-memory based Planning and Optimization engine continued to woo our target audience, there was equal excitement and interest triggered around Command Centres which brought end to end visibility.

From East to West, Ramco Logistics swayed the trust of customers, alike. With marquee names like CTI Logistics, SeaRoad in Australia, Nationwide Express in Malaysia; AAI in Philippines; US based G&D integrated in the kitty; the year ahead promises much more.

On the product front, in terms of core ERP functionality, significant R&D efforts were invested to upgrade our 'Financial module' from 'better' to 'best'. Ramco ERP now transforms Finance departments to real-time driven Finance Cockpits or Centers of Excellence, with the capability to run multiple departments / subsidiaries / organizations. The key benefits of this advanced finance module include the ability to slice & dice data from multiple dimensions. Businesses can do deeper meaningful analysis & review of costs & revenue. This assessment can be done real time enabling quicker decision making. The ability to tune the applications to various business models has been a key differentiator in the market.

Closer home, with GST (Goods and Services Tax) expected to go live in India in July 2017, Ramco has been recognized as a Suvidha GST service provider, which ensures all Ramco ERP customers in India can upgrade to the GST compliant Ramco ERP solution, and all their end to end GST needs – from tax computation to regulatory filing will be catered to, with ease.

A glimpse into a few other significant innovations that hit the market this year include –

- Ramco Chatbots – With Conversation-as-a-Platform gaining wide acceptance, Ramco announced the launch of its enterprise chat application. Powered with Machine Learning and NLP, Chatbots with built-in intelligence ensure the users have a natural and engaging conversation, offering an immersive ERP experience.
- Thrust was placed on scaling up the "Straight-through Processing thinking" which run entire operations electronically without manual intervention
- Mobility Redefined – Mobile-driven Quick Self Service Enhancement in areas related to maintenance management
- QiK methodology with pre-configured, business enabling elements for speedy implementations

With substantial focus building around Logistics as a segment, 2017-18 promises a lot of action both in terms of business as well as product enhancements.

In a nutshell –

- Ramco Logistics recognized as notable vendors for SMB TMS vendors in Gartner's Magic Quadrant for Transportation Management Systems
- Ramco ERP gets ready with GST / GSP requirements for India; to enable clients steer through the GST era with ease
- From East to West, Ramco Logistics swayed the TRUST of customers, alike. With marquee names like CTI Logistics, SeaRoad in Australia, Nationwide Express in Malaysia; AAI in Philippines; US based G&D integrated in the kitty; the year ahead promises much more

Payroll driven HCM emerges as the star contributor

Year 2013 witnessed the birth of HCM as a new and independent Strategic Business Unit (SBU), to address the multi-country payroll and HR market. Since then SBU HCM has been growing leaps and bounds. This year the HCM business unit witnessed significant momentum both in terms of business performance and bringing innovation in this space. The order book showed a record growth with over 41% of the total booking being contributed by the HCM business unit.

With steady growth across the geographies, Ramco HCM and Payroll bagged some strategic deals including – Panasonic Group of companies in Malaysia, LBC Express, Inc in Philippines, and the most significant of all being multi-million-dollar transformation order from one of the Top 5 Global Transportation and Logistics Company. Ramco HCM and Payroll also strengthened foothold and increased coverage in Asia with orders flowing in from Cambodia, Vietnam, Brunei, Philippines and China.

Ramco Multi-country Payroll platform continued to hold sway across the globe. With various accolades and endorsements in its kitty already, this year Ramco Payroll platform was identified as an 'Achiever' in Everest Group's Multi-country Payroll Platform Assessment, leaving behind some of the largest names in Global Payroll business both in terms of functionality and execution effectiveness to be adjudged the leader. In addition to this, we yet again made our place into NelsonHall's NEAT report and were identified as a "Leader for Payroll Outsourcing", on multiple parameters including overall capability and the ability to offer multi-country Payroll.

On the innovation front, this year witnessed the march of chatbots (where a user interacts with the underlying platform through a chat platform, more as a conversation). With Artificial Intelligence and Robotic Process Automation taking the center stage to revolutionize the HR space, we at Ramco dabbled and incubated this technology to develop multiple bots to automate HR functions right from employee expenses, travel durations, day offs, payments to benefits and more. Bringing in Bots and Predictive Capabilities as a part of the offering has helped us strategize our market position and move up a notch further.

Having made a firm footing in the cloud HR & Payroll market, the thrust was towards building a strong partner ecosystem, to force multiply the success across these markets. With an extensive coverage across Asia, ANZ and MEA on a unified platform coupled with new-age features around Mobility and Chatbots, we also brought in many managed services players to partner with us and offer HRO services to their end clients. This included notable names such as EY and CloudPay.

Our happy customers also voiced their 'happy quotient' to help us once again bag market recognition. For second year in a row, Ramco HCM beat global HR software majors to bag awards for Best Payroll Software and Talent Management Software, at the HR Vendors of the Year 2016 event, organized by Human Resources in Singapore, Malaysia & Hong Kong. We also won the CIO Honour Awards 2016, in Cloud HR & Payroll software category in Singapore. With these accolades and a strong offering in hand, Ramco has been growing in strength and is all set to disrupt the market with its complete, yet refreshingly simple HCM product.

In a nutshell –

- Strategy to address HCM mid-market segment in U.S begins to bear results with standalone wins sprouting in the region
- Ramco HCM and Payroll also strengthened foothold and increased coverage in Asia with orders flowing in from Cambodia, Vietnam, Brunei, Philippines and China
- With Artificial Intelligence and Robotic Process Automation taking the center stage, Ramco Chatbots are all set to automate HR functions right from employee expenses, travel durations, day offs, payments to benefits and more

Ramco

AVIATION:

Taking Innovation to the Skies

In an industry, where adoption of the most efficient technology determines distinct competitive advantage, the versatility of a future ready solution built on Next-Gen tech such as Machine based learning and cognitive capabilities can make all the difference.

Today, we are counted among the leaders in Aviation MRO IT, globally. Voice recognition; virtual and augmented reality; natural language processing; gesture computing; machine learning; and other advances in digitalization have begun to do for MROs what robots did for manufacturing sector: dramatically increase productivity, safety and reliability.

With increasing focus on mobility and process automation, Ramco had built 'Anywhere Apps' suite for Aviation Maintenance. In FY 2017, we moved the bar a few notches higher by bringing Bots and HoloLens to the fore. With Conversation as a Platform gaining center stage, engagement and usability are driving technology adoption. Ramco invested in building use cases around Bots which can enable the users to transact with the application and get / process information over a quick conversation. From checking component availability to managing aircraft-on-ground situations, there are innumerable ways to leverage chatbots in aviation.

Yet another area of focus was leveraging HoloLens to demonstrate an application for training and supporting Mechanics. This was developed at the MRO Lab Singapore, a joint innovation center by Air France Industries KLM Engineering & Maintenance (AFI KLM E&M) & Ramco Systems. It enables trainees to enter a virtual classroom and interact with a holograph of a complex and expensive part (for example, an aircraft engine), all without the expense or time required to work on the physical equipment. A technician in the field can collaborate with a remote expert, each sharing the same information, images and augmented reality, to engage in troubleshooting complex maintenance challenges.

We are also building ecosystem for parts pooling and enabling surround solutions to integrate with our application to give customers a holistic view of operations and derive benefits. Towards this end, we have entered into strategic tie up with Third Party Solution providers such as GAINS System and AeroXchange.

We have also continued to enhance the Core Solution by releasing features to the market such as Customer Portal, Parts Sales, Power-by-hour (PBH) Contracts, Manufacturing and OCR driven invoice processing. Besides, we have continued the focus on usability and simplicity by introducing actionable Hubs in Technical Records and Aircraft Maintenance Execution functions, combining multiple screen into one interface.

On the business front, Ramco Aviation expanded into Chinese skies winning the TRUST of an Aircraft Maintenance & Engineering company Bedek-lingyun (Belinco), headquartered in Three Gorges Airport, Yichang, China. Ramco also inked strategic partnership with SRN Info, to widen the horizon and offer a holistic next-gen technology experience to Aviation companies, in the region.

The year also saw existing customers such as Air Evac Emergency Medical Services, Republic Airways Holdings reaffirming their TRUST through product version upgrades along with the added advantage of Mobility powered by Ramco Anywhere Apps. Venturing into the Canadian market, Leading Aerospace & Defence In-Service Support Integrator, L-3 MAS chose Ramco Aviation solution to manage the Maintenance, Repair and Overhaul (MRO) operations of the Royal Canadian Air Force fleet of CC-150 Polaris aircraft. We ended the financial year announcing an order win from New Zealand based Ravensdown Aerowork, a subsidiary of the farmer-owned-cooperative Ravensdown Limited.

The year ahead promises a lot more excitement as we gear to expand our portfolio and help our customers stay ahead on the Innovation arena.

In a nutshell –

- Focus on Innovation leads to launch of Ramco applications on Microsoft HoloLens; Chatbots get mainstream with launch on Teams
- Ramco Aviation emerges as a formidable player in Asia; consolidates position in China with key wins
- Thrust placed on scaling up the "Straight-through Processing thinking" helps carry out entire operations electronically without manual intervention

3. DIVIDEND

Your Directors had not recommended any dividend for the financial year 2016-17.

4. INFORMATION ON SUBSIDIARIES AND ASSOCIATE

As on 31st March 2017, the Company has eleven subsidiaries (including a step-down subsidiary) viz., Ramco Systems Corporation, USA; Ramco Systems Limited, Switzerland; Ramco Systems Pte. Ltd, Singapore; Ramco Systems Sdn. Bhd., Malaysia; RSL Enterprise Solutions (Pty) Ltd, South Africa; Ramco Systems Canada Inc., Canada (step down subsidiary of Ramco Systems Corporation, USA); Ramco Systems FZ-LLC, Dubai; RSL Software Company Limited, Sudan; Ramco Systems Australia Pty Ltd, Australia; Ramco System Inc, Philippines and Ramco Systems (Shanghai) Co. Ltd., China. The Company has one associate viz., City Works (Pty) Limited, South Africa (Associate of RSL Enterprise Solutions (Pty) Ltd, South Africa).

The Company's subsidiary in China, Ramco Systems (Shanghai) Co. Ltd. was incorporated on 3rd November 2016. However, capital has yet to be contributed and the business operations have yet to commence.

There has been no material change in the nature of the business of subsidiaries during the year.

Consequent to the opening of a new branch in New Zealand for Ramco Systems Australia Pty Ltd., Australia on 18th November 2015, the already existing branch in New Zealand of Ramco Systems Pte. Ltd., Singapore was closed on 25th October 2016.

In accordance with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's Subsidiaries' and Associates' (in Form AOC-1) is attached to the financial statements.

5. CONSOLIDATED FINANCIAL STATEMENTS

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (LODR) Regulations, 2015, Companies are required to prepare consolidated financial statements to be laid before the Annual General Meeting of the Company.

The Audited/Reviewed financial statements of the Subsidiary Companies are available at the Company's website at the following link at http://www.ramco.com/investor-relations/investor-information/subsidiary-financials.

6. CHANGES IN CAPITAL STRUCTURE

The Share Capital and the Securities Premium of the Company have undergone changes to the extent of allotment of shares to option grantees under the various Employee Stock Option Schemes of the Company, as below:

A total of 414,603 equity shares were allotted to the option grantees of the Company and its Subsidiaries during the year, pursuant to exercise of the vested options under ESOS 2008, ESOS 2009 - Plan A, ESOS 2009 - Plan B, ESOS 2013 and ESOS 2014.

The following table presents the allotment of equity shares by the Allotment Committee of the Board during the year:

Date of allotment	**No. of Shares Allotted**
29th April 2016	14,928
2nd June 2016	27,025
4th July 2016	28,897
16th August 2016	21,154
23rd September 2016	36,200
25th November 2016	10,413
22nd December 2016	214,327
18th January 2017	11,018
23rd February 2017	27,270
20th March 2017	23,371
Total	**414,603**

7. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Chapter V - Acceptance of Deposits by Companies under the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from the public during the year and no deposits are outstanding as at the end of financial year.

8. BOARD OF DIRECTORS AND COMMITTEES

The Board noted with deep regret the sudden demise of Shri P R Ramasubrahmaneya Rajha, Chairman, on 11th May 2017. He had been on the Board of the Company since 1997 and was the Chairman throughout. The Board noted that under the Chairmanship of Shri P R Ramasubrahmaneya Rajha, the Company has become a world class software product and solutions Company. He was known for his business ethics, value systems and philanthropic activities. He was the guiding force for Ramco Group of Companies, which has made the Group one of the most respected industrial houses in the country. Under his Chairmanship, the Group has grown multifold, achieving a turnover of USD 1 billion. The Board placed on record the immense contribution, Shri P R Ramasubrahmaneya Rajha had made to the Company in its growth progress.

Shri P R Venketrama Raja, relinquished the post of Managing Director with effect from the closing hours of 3rd June 2017. He has been appointed as Chairman from 4th June 2017.

Based on the recommendations of Nomination and Remuneration Committee, the Board have:

(a) co-opted Shri P V Abinav Ramasubramaniam Raja as Additional Director, who will hold office till the conclusion of the ensuing Annual General Meeting and

(b) appointed Shri P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position of Manager under Section 203(1)(i) of the Companies Act, 2013, with the designation of Whole Time Director for a period of 5 years from 4th June 2017.

His appointment has been included by way of a Special Resolution in the Notice convening the AGM for Members approval. The brief resume and other details relating to the Director, as stipulated under Regulation 36(3)(a) of the SEBI (LODR) Regulations, 2015 are furnished in the Notice of Annual General Meeting forming part of this Annual Report.

As per the provisions of Companies Act, 2013, Shri P R Venketrama Raja (DIN:00331406), Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. The Board of Directors recommends the above re-appointment for approval of the Members. The brief resume and other details relating to the Director, as stipulated under Regulation 36(3)(a) of the SEBI (LODR) Regulations, 2015 are furnished in the Notice of Annual General Meeting forming part of this Annual Report.

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. No Independent Director has retired during the year. Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, there have been no changes in the Directors or Key Managerial Personnel during the year except that Shri G Karthikeyan, Company Secretary resigned on 5th December 2016. The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Audit Committee has three members, out of which two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

As required under Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company has programmes for familiarisation for the Independent Directors about the nature of the industry, business model, roles, rights and responsibilities of Independent Directors and other relevant information. As required under Regulation 46(2) of SEBI (LODR) Regulations, 2015, the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at http://www.ramco.com/investor-relations/Independent-Directors-Familiarisation-Programme.pdf

The details of the familiarization programme are explained in the Corporate Governance Report also.

9. BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and Regulation 25(4) of the SEBI (LODR) Regulations, 2015, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. Pursuant to Schedule II, Part D of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

During the year, SEBI has issued a detailed guidance note vide its circular dated 05.01.2017 for the purpose of evaluation of Board and its Directors. Based on the guidance note, the criteria for evaluation of performance of Independent Directors and the Board of Directors the Committee carried out the evaluation of every Directors' performance. The Committee expressed its satisfaction and appreciation for the performance of the Chairperson of the Company, Independent Directors and Non-Independent Directors in discharging their expected roles.

During the year, four Board Meetings were held. The details of the Meetings of the Board and its various Committees are given in the Corporate Governance Report.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

11. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size and nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the loan / guarantees / investments under Section 186(4) of the Companies Act, 2013 are provided under Note Nos.7, 8, 12 & 38 forming part of standalone financial statements and Note Nos. 7, 8 and 34 forming part of consolidated financial statements.

13. AUDITORS

(I) STATUTORY AUDIT

M/s.CNGSN & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company since 2003-2004. As per the provisions of Section 139 of the Companies Act, 2013, their term of office comes to an end at the close of the 20th Annual General Meeting of the Company. The Board of Directors wishes to place on record its sincere appreciation for the services rendered by M/s.CNGSN & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company.

Subject to the approval of the Members of the Company at the ensuing 20th Annual General Meeting, the Board of Directors have recommended the appointment of M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants as the Statutory Auditors of the Company, pursuant to Section 139 of the Companies Act, 2013. The proposal relating to their appointment has been included in the notice convening the 20th Annual General Meeting of the Company. They shall hold office from the conclusion of 20th Annual General Meeting to the conclusion of 25th Annual General Meeting and the matter relating to the Auditors' appointment will be placed before the Members for their ratification at every intervening Annual General Meeting.

The reports of both Standalone and Consolidated financial statements issued by M/s.CNGSN & Associates LLP, Chartered Accountants, viz. the Statutory Auditors for the year ended 31st March 2017 does not contain any qualification, reservation or adverse remark.

(II) INTERNAL AUDIT

The Board appointed M/s. SRSV & Associates, Chartered Accountants, (FRN015041S) as new Internal Auditors of the Company in the place of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants.

(III) SECRETARIAL AUDIT

M/s. S.Krishnamurthy & Co., Company Secretaries, have been appointed to conduct the Secretarial Audit of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31st March 2017 is attached herewith as **Annexure A.** The report does not contain any qualification, reservation or adverse remark.

14. EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as **Annexure B.**

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy, in accordance with Schedule VII of the Companies Act, 2013. The CSR obligations pursuant to Section 135(5) of the Companies Act, 2013, for the year 2016-17 was Rs.9 lakhs, which has been spent as per the CSR Policy.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure – C.**

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website.

17. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimisation of risk thereof.

18. RELATED PARTY TRANSACTIONS

Prior approval / omnibus approval have been obtained from Audit Committee for all Related Party Transaction and these transactions are periodically placed before the Audit Committee. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and not attracting Section 188(1) of the Companies Act, 2013. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of SEBI (LODR) Regulations, 2015. In accordance with Ind AS-24, the details of the transactions with the related parties are set out in the Disclosures forming part of Financial Statements.

As required under Regulation 46(2)(g) of SEBI (LODR) Regulations, 2015, the Company's Related Party Transaction Policy is disclosed in the Company's website and its weblink is: http://www.ramco.com/investor-relations/ramco-related-party- transaction-policy.pdf.

As required under Regulation 46(2)(h) of SEBI (LODR) Regulations, 2015, the Company's Material Subsidiary Policy is disclosed in the Company's website and its weblink is: http://www.ramco.com/investor-relations/Ramco-Material-Subsidiary-policy.pdf.

19. INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs vide its notification dated 16th February 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of this notification, the Company, its subsidiaries and associate companies had adopted Ind AS with effect from 1st April 2015 (the transition date). The Company's financial results for the previous year ended 31st March 2016 had also been recast in accordance with Ind AS.

The Company had, for the first time, adopted Indian Accounting Standards (Ind AS) from 1st April 2016, notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Accordingly, the financial results (including for all the periods presented in this Annual Report in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India (Indian GAAP). Reconciliation of the net profit of the previous year ended 31st March 2016 between previous Indian GAAP and Ind AS is given along with the financial statements in this Annual Report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed to, and forms part of, this report as **Annexure D.**

21. EMPLOYEE STOCK OPTION PLAN/ SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME

The growth of the Company has, in large measure, been possible owing to the wholehearted support, commitment and teamwork of its personnel. Accordingly, the Company had instituted various Employee Stock Option Schemes / Plans (ESOS/ESOP) for the benefit of employees. The following schemes have been established by the Company:

(A) Employee Stock Option Plan, 2000 (ESOP 2000)

(B) Employee Stock Option Scheme, 2003 (ESOS 2003)

(C) Employee Stock Option Scheme, 2004 (ESOS 2004)

(D) Employee Stock Option Scheme, 2008 (ESOS 2008)

(E) Employee Stock Option Scheme, 2009 – Plan A (ESOS 2009-Plan A)

(F) Employee Stock Option Scheme, 2009 – Plan B (ESOS 2009-Plan B)

(G) Employee Stock Option Scheme, 2013 (ESOS 2013)

(H) Employee Stock Option Scheme, 2014 (ESOS 2014)

The Company has implemented Employee Share Purchase Plan, 1999 (ESPP 1999) and Employee Stock Purchase Scheme, 2004 (ESPS 2004).

The above schemes/plans are in compliance with the SEBI Regulations. During the year under review, no changes were made in the above said schemes. Details regarding the above mentioned schemes along with their status are annexed to, and forms part of, this report as **Annexure E.** In addition, the following details are disclosed in the said Annexure.

a. Relevant disclosures in terms of the ‘Guidance note on accounting for employee share-based payments’ issued by ICAI and

b. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Ind AS 33 - Earnings Per Share’ issued by ICAI.

The above information forms part of the Annual Report. The weblink to access the Annual Report is http://www.ramco.com/investor-relations/ramco_annual_report_2017.pdf.

Further, a certificate from Statutory Auditors, with respect to implementation of the above Employee’s Stock Option Schemes in accordance with SEBI Guidelines and the resolution passed by the Members of the Company, would be placed before the Members at the ensuing AGM, and a copy of the same shall be available for inspection at the Corporate Office of the Company during normal business hours on any working day.

22. CORPORATE GOVERNANCE REPORT & AUDITOR’S CERTIFICATE

The Company has complied with the requirements regarding Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

A detailed Corporate Governance Report of the Company as required under Schedule V(C) of SEBI (LODR) Regulations, 2015 along with the declaration on Code of Conduct and Statutory Auditor’s Certificate confirming Compliance with the conditions on Corporate Governance as stipulated under Schedule V (E) of SEBI (LODR) Regulations, 2015, is annexed to and forms part of, this report as **Annexure F, G & H.**

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirement of Regulation 34(2)(e) read with Part B of SEBI (LODR) Regulations, 2015, a Management Discussion and Analysis Report elaborating upon the operations of the Company is annexed to and forms part of, this report as **Annexure I.**

24. BUSINESS RESPONSIBILITY REPORT

As required by Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, since the Company is one of the top 500 listed companies based on the market capitalisation as on 31st March 2017, a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, is enclosed as **Annexure J,** in the format prescribed by SEBI vide its Circular No: CIR/CFD/CMD/10/2015 dated 4th November 2015. The Corporate Social Responsibility Committee of the Board of Directors is entrusted with the authority to review the Business Responsibility performance and the various policies annually or as and when the need arises.

25. PARTICULARS OF REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1), (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration, are provided in the Report as **Annexure K.**

Having regard to the first proviso to Section 136(1) of the Companies Act, 2013, the physical copy of the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is also available on the Company's website.

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

(a) in the preparation of the annual accounts for the year ended 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they had 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 as at 31st March 2017 and of the profit of the Company for the year ended on that date;

(c) they had 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;

(d) they had prepared the annual accounts on a going concern basis;

(e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER 31ST MARCH 2017

There are no material changes and commitments affecting the financial position of the Company which have occurred between the 31st March 2017 and the date of this report, except as otherwise disclosed in this Report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to convey their appreciation for the support and co-operation received during the year under review, from all the Government Authorities, Shareholders, Clients, Vendors, Partners, Bankers and other Business Associates. Your Directors wish to place on record their deep sense of appreciation for the dedicated and sincere services rendered by the Employees at all levels.

For and on Behalf of the Board

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

Annexure A

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2017

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

To

The Members,
Ramco Systems Limited, [CIN: L72300TN1997PLC037550]
47, PSK Nagar, Rajapalayam – 626 108.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by RAMCO SYSTEMS LIMITED *(hereinafter called "the Company")* during the financial year from 1st April 2016 to 31st March 2017 (*"the year"/ "audit period"/ "period under review"*).

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/returns filed and compliance related action taken by the Company during the year as well as after 31st March 2017 but before the issue of this report;

(ii) Our observations during our visits to their corporate office;

(iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and

(iv) The representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the financial year ended on 31st March 2017, to the extent, in the manner and subject to the reporting made hereinafter:

(i) The Company has complied with the statutory provisions listed hereunder; and

(ii) The Company also has proper Board processes and compliance mechanism in place.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – 1.

1. **Compliance with specific statutory provisions:**

We report that:

1.1. We have examined the books, papers, minute books and other records maintained and the forms, returns, reports, disclosures and information filed or disseminated by the Company during the year according to the applicable provisions of:

(i) The Companies Act, 2013 and the rules made thereunder *(the Act)*.

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder *(SCRA)*.

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder (*DA*).

(iv) Foreign Exchange Management Act, 1999 and the rules/ regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments *(FEMA)*.

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('*SEBI Regulations*'):

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(PIT)*; and

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(LODR).*

(vi) Software Technology Park (STP) Scheme under the Foreign Trade Policy announced by the Government of India, Ministry of Commerce and Industry, Department of Commerce, which is applicable specifically to the Company's STP unit in Chennai.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India on "Meetings of the Board of Directors *(SS-1)*" and on "General Meetings *(SS-2)*" *(Standards);* and

(ii) Listing agreements entered into by the Company with the National Stock Exchange of India Limited and the BSE Limited *(Agreements).*

1.3. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2017 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) Complied with the applicable provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1.1 (i) to (iii), (v)(a) to (e) and (vi) above.

(ii) Generally complied with the applicable provisions/ clauses of FEMA, Standards and Agreements mentioned under paragraphs 1.1(iv) and 1.2(i) above. We are informed that the Company is taking steps to improve compliance levels.

(iii) A qualified Company Secretary has to be appointed as Compliance Officer under regulation 6(1) of LODR (mentioned in paragraph 1.1(f) above) in place of the earlier incumbent who resigned with effect from 6th December 2016.

1.4. We are informed that, during/ in respect of the year, the Company was not required to comply with the following laws/ guidelines/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (ECB) as the Company has not availed any ECB facilities;

(ii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as the Company has not issued any debt security;

(iii) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as the Company has not bought-back any security; and

(iv) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as the Company has not delisted from any stock exchange.

2. **Board processes:**

We further report that:

2.1 The Board of Directors of the Company is duly constituted with one Executive Director, two Non-Executive Non-Independent Directors and four Independent Directors (including a Woman Director) as on 31st March 2017.

2.2 There was no change in the composition of the Board of Directors during the period under review. At the 19th Annual General Meeting held on 4th August 2016, the members approved:

(i) Re-appointment of the retiring director Mr. P R Ramasubrahmaneya Rajha; and

(ii) Re-appointment of Mr. P R Venketrama Raja as Vice-Chairman and Managing Director for three years from 1st April 2017.

2.3 Adequate notice is given to all directors to enable them to plan their Board Meeting schedule. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and

(ii) Additional subjects/ information/ presentations and supplementary notes.

The above items were either circulated separately or circulated/ presented at the meetings and consent of the Board was obtained for the same as required under the SS-1.

2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.5 We note from the minutes of the Board meetings held during the year that:

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be recorded as part of the minutes.

3 **Compliance mechanism:**

We further report that there are reasonably adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is taking steps to further strengthen the compliance systems and processes to meet the requirements of the expanding business operations and increasing legal requirements.

4 **Specific events/ actions:**

We further report that during the year:

4.1 An aggregate of 4,14,603 Equity Shares of Rs.10/- each were allotted for cash at the applicable exercise prices and on various dates to eligible employees and a non-executive non-independent Director of the Company under Employees Stock Option/ Purchase Schemes.

4.2 Ramco System Inc., was incorporated as a Wholly owned Subsidiary (WOS) of the Company in Philippines on 5th April 2016 and the Company has invested PHP 11,750,000 in Equity Shares of the said WOS on 10th May 2016.

For **S Krishnamurthy & Co.,**
Company Secretaries,

K. Sriram,
Partner.
Membership No: **F6312**
Certificate of Practice No: **2215**

Date : 30th May 2017
Place : Chennai

Annexure – 1 to Secretarial Audit Report of even date

To,

The Members,
Ramco Systems Limited, [CIN: L72300TN1997PLC037550]
47, PSK Nagar, Rajapalayam – 626 108.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2017 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2017 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

8. Our 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 **S Krishnamurthy & Co.,**
Company Secretaries,

K. Sriram,
Partner.
Membership No: **F6312**
Certificate of Practice No: **2215**

Date : 30th May 2017
Place : Chennai

Annexure B

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017 of Ramco Systems Limited

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L72300TN1997PLC037550
(ii)	Registration Date	:	19th February 1997
(iii)	Name of the Company	:	Ramco Systems Limited
(iv)	Category of the Company	:	Company Limited by Shares
	Sub-Category of the Company	:	Indian Non-Government Company
(v)	Address of the Registered office and contact details	:	47, PSK Nagar, Rajapalayam - 626 108 Phone: +91 4563 235688
(vi)	Whether listed Company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai – 600 002 Phone: +91 44 2846 0390 (5 Lines) Fax: +91 44 2846 0129 Email: investor@cameoindia.com

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.	Computer Programming, Consultancy and related activities	620	100
2.	Hosting and related activities	631	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	Ramco Systems Corporation Crossroads Corporate Center 3150 Brunswick Pike, Suite 206 Lawrenceville, NJ 08648 USA	NA	Subsidiary	98%	2(87)(ii)
2.	Ramco Systems Limited Dorfplatz 3 P.O. Box 106 CH - 4418 Reigoldswil Switzerland	NA	Subsidiary	100%	2(87)(ii)
3.	Ramco Systems Pte. Ltd. 79 Anson Road, #15-04/05 Singapore - 079906.	NA	Subsidiary	100%	2(87)(ii)
4.	Ramco Systems Sdn. Bhd. 3 B – 5 - 3, Level 5 Block 3 B, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur – 50470 Malaysia	NA	Subsidiary	100%	2(87)(ii)
5.	RSL Enterprise Solutions (Pty) Limited No 5, Walnut Road, 2nd Floor, Smart Xchange Building, Durban-4000 South Africa - PO No: 1228	NA	Subsidiary	100%	2(87)(ii)
6.	Ramco Systems Canada Inc. Suite 2600, Oceanic Plaza, 1066, West Hastings Street, Vancouver, BC V6E 3X1 Canada	NA	Subsidiary of Sl. No.1	100% held by Sl.No.1	2(87)(ii)
7.	Ramco Systems FZ-LLC. Suite No.111, 1st Floor, BT Building, EIB 04, Dubai Internet City, P O Box : 500189, Dubai – U.A.E	NA	Subsidiary	100%	2(87)(ii)
8.	RSL Software Company Ltd. House number 306, Second Floor, Block 21, Riyadh, Khartoum, Sudan	NA	Subsidiary	100%	2(87)(ii)
9.	Ramco Systems Australia Pty Ltd. Level 17, 60, City Road, Southbank, VIC 3006, Australia	NA	Subsidiary	100%	2(87)(ii)
10	Ramco System Inc. Unit – 65 & 66, Floor 16, Tower 6789 (Alphaland Makati Tower), Ayala Avenue, Makati, 1226 Metro Manila, Philippines	NA	Subsidiary	100%	2(87)(ii)
11.	Ramco Systems (Shanghai) Co. Ltd. No.14 Lane1502, Luoshan Road, Free trade zone , Shanghai, China *(Obtained business license on 3rd Nov 2016. However, capital has yet to be contributed and the business operations have yet to commence.)	NA	Subsidiary	100% *	2(87)(ii)
12.	City Works (Pty) Limited (earlier known as Redlex 47 (Pty) Limited) No 5, Walnut Road, 3rd Floor, SmartXchange Building, Durban-4001, South Africa	NA	Associate of Sl. No.5	30% held by Sl. No.5	2(6)

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 (1st April 2016)			% of Total Shares	No. of Shares held at the end of the year (31st March 2017)			% of Total Shares	% of Change during the Year
	Demat	Physical	Total		Demat	Physical	Total		
(A) Promoter & Promoter Group (Promoter Group is as per the classification shown under Regulation 31 of SEBI (LODR) Reg, 2015 & SEBI (SAST) Regulations, 2011)									
(a) Promoter									
(1) Indian									
(a) Individual/HUF	37,61,144	-	37,61,144	12.5410	37,61,144	-	37,61,144	12.3700	-0.1710
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(a)(1)	**37,61,144**	**-**	**37,61,144**	**12.5410**	**37,61,144**	**-**	**37,61,144**	**12.3700**	**-0.1710**
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (a) (2)	-	-	-	-	-	-	-	-	-
(b) Promoter Group									
(1) Indian									
(a) Individual/HUF	8,69,317	-	8,69,317	2.8986	7,87,404	-	7,87,404	2.5897	-0.3089
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-		-	-	-
(d) Bodies Corp.	1,21,75,979	-	1,21,75,979	40.5991	1,21,75,979	-	1,21,75,979	40.0455	- 0.5536
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(b)(1)	**1,30,45,296**	**-**	**1,30,45,296**	**43.4978**	**1,29,63,383**	**-**	**1,29,63,383**	**42.6352**	**-0.8625**
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (b) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter & Promoter Group (A) = (A) (a)(1) + (A) (a) (2)+(A) (b)(1) + (A) (b) (2)	**1,68,06,440**	**-**	**1,68,06,440**	**56.0388**	**1,67,24,527**	**-**	**1,67,24,527**	**55.0052**	**-1.0335**

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2016)			% of Total Shares	No. of Shares held at the end of the year (31st March 2017)			% of Total Shares	% of Change during the Year
	Demat	Physical	Total		Demat	Physical	Total		
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	36,42,598	300	36,42,898	12.1467	27,02,424	300	27,02,724	8.8890	-3.2578
(b) Banks/FI	29,536	150	29,686	0.0990	50,548	150	50,698	0.1667	0.0678
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	880	-	880	0.0029	880	-	880	0.0029	-0.0000
(g) FIIs	6,36,415	-	6,36,415	2.1220	5,39,358	-	5,39,358	1.7739	-0.3481
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Foreign Portfolio Investor (Corporate))	33,04,890	-	33,04,890	11.0197	35,74,913	-	35,74,913	11.7575	0.7378
Sub-Total (B)(1)	**76,14,319**	**450**	**76,14,769**	**25.3904**	**68,68,123**	**450**	**68,68,573**	**22.5900**	**-2.8004**
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	7,40,003	559	7,40,562	2.4693	7,33,063	559	7,33,622	2.4128	-0.0565
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals	-		-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	21,17,270	1,32,329	22,49,599	7.5010	27,40,145	1,21,276	28,61,421	9.4109	1.9099
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	15,40,548	1,56,733	16,97,281	5.6594	19,58,471	85,567	20,44,038	6.7226	1.0633
(c) Others (Specify)									
Clearing Member	19,516	-	19,516	0.0651	1,18,757	-	1,18,757	0.3906	0.3255
Foreign Nationals	-	4,100	4,100	0.0137	10,178	4,100	14,278	0.0470	0.0333
Hindu Undivided Families	1,91,583	-	1,91,583	0.6388	2,87,131	-	2,87,131	0.9443	0.3055
Non Resident Indians	6,66,886	-	6,66,886	2.2236	7,52,992	-	7,52,992	2.4765	0.2529
Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	**52,75,806**	**2,93,721**	**55,69,527**	**18.5708**	**66,00,737**	**2,11,502**	**68,12,239**	**22.4047**	**3.8339**
Total Public Shareholding (B) = (B) (1) + (B) (2)	1,28,90,125	2,94,171	1,31,84,296	43.9612	1,34,68,860	2,11,952	1,36,80,812	44.9948	1.0335
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,96,96,565**	**2,94,171**	**2,99,90,736**	**100.0000**	**3,01,93,387**	**2,11,952**	**3,04,05,339**	**100.0000**	**0.0000**

(ii) Shareholding of Promoters / Promoter Group:

(a) Promoter

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% of 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.	Shri P R Ramasubrahmaneya Rajha	5,43,703	1.8129	-	5,43,703	1.7882	-	-0.0247
2.	Shri P R Venketrama Raja	32,17,441	10.7281	-	32,17,441	10.5818	0.49	-0.1463
	Total	**37,61,144**	**12.5410**	**-**	**37,61,144**	**12.3700**	**0.49**	**-0.1710**

(b) Promoter Group

1.	Ramco Industries Limited	54,67,376	18.2302	-	54,67,376	17.9816	-	-0.2486
2.	The Ramco Cements Limited	54,17,810	18.0649	-	54,17,810	17.8186	-	-0.2463
3.	The Ramaraju Surgical Cotton Mills Ltd.	12,739	0.0425	-	12,739	0.0419	-	-0.0006
4.	Nalina Ramalakshmi	1,86,724	0.6226	-	1,86,724	0.6141	-	-0.0085
5.	Saradha Deepa	2,17,942	0.7267	-	1,36,029	0.4474	-	-0.2793
6.	R Sudarsanam	1,54,687	0.5158	-	1,54,687	0.5087	-	-0.0070
7.	P V Nirmala	11,902	0.0397	-	11,902	0.0391	-	-0.0005
8.	P V Abinav Ramasubramaniam Raja	1,10,332	0.3679	-	1,10,332	0.3629	-	-0.0050
9.	B Srisandhya Raju	1,10,670	0.3690	-	1,10,670	0.3640	-	-0.0050
10.	R Chittammal	77,060	0.2569	-	77,060	0.2534	-	-0.0035
11.	Ramco Agencies Pvt. Ltd.	1,388	0.0046	-	1,388	0.0046	-	-0.0001
12.	Ramco Private Ltd.	3,713	0.0124	-	3,713	0.0122	-	-0.0002
13.	Rajapalayam Mills Limited	7,33,531	2.4459	-	7,33,531	2.4125	-	-0.0334
14.	Ramco Management Pvt. Ltd.	300	0.0010	-	300	0.0010	-	0.0000
15.	Ontime Industrial Services Limited	5,39,122	1.7976	-	5,39,122	1.7731	-	-0.0245
	Total	**1,30,45,296**	**43.4978**		**1,29,63,383**	**42.6352**	**-**	**-0.8625**

(iii) Change in Promoters / Promoter Group Shareholding:

(a) Promoter

Sl. No.	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	37,61,144	12.54	1-Apr-2016			37,61,144	12.37
	37,61,144	12.37	31-Mar-2017				

(b) Promoter Group

1.	1,30,45,296	43.50	01-Apr-16				
			01-Apr-16	986	Sale	1,30,44,310	43.49
			05-Apr-16	5,000	Sale	1,30,39,310	43.48
			07-Apr-16	5,000	Sale	1,30,34,310	43.46
			03-May-16	4,100	Sale	1,30,30,210	43.43
			28-Sep-16	10,000	Sale	1,30,20,210	43.23
			03-Oct-16	10,000	Sale	1,30,10,210	43.20
			04-Oct-16	10,000	Sale	1,30,00,210	43.16
			05-Oct-16	10,000	Sale	1,29,90,210	43.13
			06-Oct-16	10,000	Sale	1,29,80,210	43.10
			07-Oct-16	10,000	Sale	1,29,70,210	43.06
			19-Oct-16	3,711	Sale	1,29,66,499	43.05
			20-Oct-16	2,466	Sale	1,29,64,033	43.04
			21-Oct-16	650	Sale	1,29,63,383	43.04
	1,29,63,383	43.04	31-Mar-17				

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

Sl. No.	Name	No. of Shares at the beginning (01-04-16) / end of the year (31-03-2017)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1a	HDFC Trustee Company Limited-HDFC Equity Fund	13,83,900	4.61	01-Apr-16			13,83,900	4.55
		13,83,900	4.55	31-Mar-17				
1b	HDFC Trustee Company Limited-HDFC Prudence Fund	8,63,500	2.88	01-Apr-16			8,63,500	2.84
		8,63,500	2.84	31-Mar-17				
2a	J O Hambro Capital Management Umbrella Fund PLC J O Hambro Capital Management Asia Ex Japan Fund	10,83,480	3.61	01-Apr-16				
				30-Jun-16	9,700	Purchase	10,93,180	3.64
				01-Jul-16	606	Purchase	10,93,786	3.64
				08-Jul-16	611	Purchase	10,94,397	3.64
				15-Jul-16	5,114	Purchase	10,98,900	3.66
				22-Jul-16	665	Purchase	10,99,565	3.66
		11,00,176	3.62	31-Mar-17				

Sl. No.	Name	No. of Shares at the beginning (01-04-16) / end of the year (31-03-2017)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2b	J O Hambro Capital Management Umbrella Fund PLC J O Hambro Capital Management Asia Ex-Japan Small And Mid Cap Fund	2,24,674	0.75	01-Apr-16			2,24,674	0.74
		2,24,674	0.74	31-Mar-17				
3	Goldman Sachs India Fund Limited	7,61,236	2.54	01-Apr-16				
				31-Mar-17	13,783	Purchase	7,75,019	2.55
		7,75,019	2.55	31-Mar-17				
4	BT Funds Management Limited as Trustee of BT Asian Share Fund	6,29,358	2.10	01-Apr-16				
				03-Jun-16	-90,000	Sale	5,39,358	1.77
		5,39,358	1.77	31-Mar-17				
5	Ravikumar Ramkishore Sanwalka	4,46,283	1.49	01-Apr-16				
				12-Aug-16	500	Purchase	4,46,783	1.49
				02-Sep-16	16,401	Purchase	4,63,184	1.54
				04-Nov-16	1,065	Purchase	4,64,249	1.54
		4,64,249	1.53	31-Mar-17				
6	Johcm Asia Ex-Japan Equity Fund	4,01,788	1.34	01-Apr-16				
				08-Apr-16	212	Purchase	4,02,000	1.34
				13-May-16	41,000	Purchase	4,43,000	1.48
				27-May-16	15,436	Purchase	4,58,436	1.53
				03-Jun-16	58,926	Purchase	5,17,362	1.72
				10-Jun-16	50,158	Purchase	5,67,520	1.89
				17-Jun-16	12,182	Purchase	5,79,702	1.93
				24-Jun-16	18,730	Purchase	5,98,432	1.99
				30-Jun-16	3,363	Purchase	6,01,795	2.00
		6,01,795	1.98	31-Mar-17				
7a	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	3,99,320	1.33	01-Apr-16				
				25-Nov-16	-758	sale	3,98,562	1.32
				02-Dec-16	-56,070	sale	3,42,492	1.14
				09-Dec-16	-43,199	Sale	2,99,293	0.99
				16-Dec-16	-2,98,649	Sale	644	0.00
				23-Dec-16	-644	Sale	-	-
		-	-	31-Mar-17				
7b	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Equity Fund	3,99,000	1.33					
				08-Apr-16	29,345	Purchase	4,28,345	1.43
				15-Apr-16	10,655	Purchase	4,39,000	1.46
				06-May-16	10,000	Purchase	4,49,000	1.50
				13-May-16	10,364	Purchase	4,59,364	0.03
				20-May-16	9,636	Purchase	4,69,000	1.56
				25-Nov-16	-890	Sale	4,68,110	1.55
				02-Dec-16	-80,157	Sale	3,87,953	1.29
				09-Dec-16	-49,679	Sale	3,38,274	1.12
				16-Dec-16	-3,32,917	Sale	5,357	0.02
				23-Dec-16	-5,357	Sale	-	-
		-	-	31-Mar-17				

Sl. No.	Name	No. of Shares at the beginning (01-04-16) / end of the year (31-03-2017)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7c	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	1,60,000	0.53	01-Apr-16				
				23-Oct-16	-2,974	Sale	1,57,026	0.52
				04-Nov-16	-119	Sale	1,56,907	0.52
				11-Nov-16	-2,323	Sale	1,54,584	0.51
				25-Nov-16	-20,157	Sale	1,34,427	0.45
				02-Dec-16	-1,34,427	Sale	-	-
		-	-	31-Mar-17				
7d	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Children's Gift Fund	20,689	0.07	01-Apr-16				
				22-Apr-16	2,060	Purchase	22,749	0.08
				29-Apr-16	7,940	Purchase	30,689	0.10
				04-Nov-16	-797	Sale	29,892	0.10
				11-Nov-16	-29,892	Sale	-	-
		-	-	31-Mar-17				
8a	Sundaram Mutual Fund A/C Sundaram Smile Fund	3,81,091	1.27	01-Apr-16				
				19-Aug-16	3,652	Purchase	3,84,743	1.28
				23-Sep-16	-11,719	Sale	3,73,024	1.24
				25-Nov-16	2,000	Purchase	3,75,024	1.24
				23-Dec-16	1,56,261	Purchase	5,31,285	1.75
				30-Dec-16	-45,285	Sale	4,86,000	1.60
				06-Jan-17	-4,715	Sale	4,81,285	1.59
				10-Feb-17	-81,069	Sale	4,00,216	1.32
				17-Feb-17	-6,191	Sale	3,94,025	1.30
				24-Feb-17	-19,001	Sale	3,75,024	1.23
		3,75,024	1.23	31-Mar-17				
8b	Sundaram Mutual Fund A/C Sundaram Long Term Micro Cap Tax Advantage Fund Series III	-	-	01-Apr-16				
				23-Dec-16	80,000	Purchase	80,000	0.26
		80,000	0.26	31-Mar-17				
9	TFL Pension Fund	3,55,906	1.19	01-Apr-16				
				13-May-16	-41,000	Sale	3,14,906	1.05
		3,14,906	1.04	31-Mar-17				
10	Virender Aggarwal	2,72,573	0.91	01-Apr-16				
				22-Dec-16	77,010	Purchase	3,49,583	1.15
		3,49,583	1.15	31-Mar-17				
11	Abu Dhabi Investment Council - (JOHO)	-	-	01-Apr-16				
				09-Sep-16	28,489	Purchase	28,489	0.09
				16-Sep-16	24,816	Purchase	53,305	0.18
				23-Sep-16	34,014	Purchase	87,319	0.29
				30-Sep-16	86,054	Purchase	1,73,373	0.58
				07-Oct-16	60,598	Purchase	2,33,971	0.78
				14-Oct-16	35,510	Purchase	2,69,481	0.89
				21-Oct-16	9,082	Purchase	2,78,563	0.92
				28-Oct-16	28,985	Purchase	3,07,548	1.02
		3,07,548	1.01	31-Mar-17				

* Date represents the date of the statement of Beneficial positions of the members as furnished by the depositories or as declared by them where applicable.

(v) Shareholding of Directors and Key Managerial Personnel:

(a) Shareholding of Directors

Sl. No.	Name	Shareholding at the beginning (01-04-16) / end of the year (31-03-17)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri P R Ramasubrahmaneya Rajha	5,43,703	1.81	01-Apr-16			5,43,703	1.79
		5,43,703	1.79	31-Mar-17				
2	Shri P R Venketrama Raja	32,17,441	10.73	01-Apr-16			32,17,441	10.58
		32,17,441	10.758	31-Mar-17				
3	Shri A V Dharmakrishnan	3,726	0.01	01-Apr-16				
				22-Dec-16	1,22,904	Allotment of shares upon exercise of stock options	1,26,630	0.42
				18-Jan-17	10,312		1,36,942	0.45
		1,36,942	0.45	31-Mar-17				

Note : Other Directors did not hold any shares during the year.

(b) Shareholding of Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning (01-04-16) / end of the year (31-03-17)		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Virender Aggarwal (CEO)	2,72,573	0.91	01-Apr-16			
				22-Dec-16	77,010	3,49,583	1.15
		3,49,583	1.15	31-Mar-17			
2	R. Ravi Kula Chandran (CFO)	17,455	0.06	01-Apr-16			
				23-Sep-16	4,376	21,831	0.07
				22-Dec-16	4,376	26,207	0.09
				20-Mar-16	5,938	32,145	0.11
		32,145	0.11	31-Mar-17			

Reason for increase / decrease in holding: Allotment of shares upon exercise of stock options.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. Mln.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
Addition	753.60	677.25	-	1,430.85
Reduction	(703.60)	(677.25)	-	(1,380.85)
Net Change	**50.00**	**-**	**-**	**50.00**
Indebtedness at the end of the financial year				
i) Principal Amount	50.00	-	-	50.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**50.00**	**-**	**-**	**50.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager: (Rs.)

Sl. No.	Particulars of Remuneration	Name of MD
		Shri P R Venketrama Raja
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-
2.	Others – Retirement benefits - Contribution to Provident Fund	86,400
	Total (A)	**11,66,400**
	Ceiling as per the Act	See note below

Note: Shri P R Venketrama Raja was also the Vice Chairman & Managing Director of Ramco Industries Ltd. during the financial year 2016-17, from where he drew remuneration, subject to his aggregate remuneration drawn from both the Companies limited to the higher of 5% of the net profits of the Company or Ramco Industries Ltd. His remuneration from Ramco Industries Ltd., during the financial year 2016-17 was Rs.3,13,07,441.

B. Remuneration to Other Directors: (Rs.)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Shri P R Ramasubrahmaneya Rajha	Shri M M Venkatachalam	Shri V Jagadisan	Shri A V Dharmakrishnan	Shri R S Agarwal	Smt. Soundara Kumar	
1.	Independent Directors							
	Fee for attending board / committee meetings	-	1,35,000	1,35,000	-	75,000	75,000	4,20,000
	Total (1)	**-**	**1,35,000**	**1,35,000**	**-**	**75,000**	**75,000**	**4,20,000**
2.	Other Non Executive Directors							
	Fee for attending board / committee meetings	60,000	-	-	1,20,000	-	-	1,80,000
	Others - Stock options exercised during the year	-	-	-	Please refer Annedure F-3(d)(iii)	-	-	-
	Total (2)	**60,000**	**-**	**-**	**1,20,000**	**-**	**-**	**1,80,000**
	Total (B) = (1+2)	**60,000**	**1,35,000**	**1,35,000**	**1,20,000**	**75,000**	**75,000**	**6,00,000**
	Overall Ceiling as per the Act	1% of the net profit of the Company, calculated as per Sec.198 of the Companies Act, 2013 + Sitting Fees						
	Total Managerial Remuneration (A+B)*							**17,66,400+ stock options exercised.**

*Represents the total of remuneration to Managing Director and other Directors.

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager: (Rs.)

Sl. No.	Particulars of Remuneration	Shri R Ravi Kula Chandran Chief Financial Officer	Shri G Karthikeyan Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,78,885	8,09,273	62,88,158
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	33,25,090	-	33,25,090
	(c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option granted / exercised during the year (in numbers)	14,690 shares exercised	2500 options granted	-
3.	Others, Retirement benefits	6,89,760	46,206	7,35,966
	Total (excluding sl.no. 2)	**94,93,735**	**8,55,479**	**1,03,49,214**

Note: Shri Virender Aggarwal, Chief Executive Officer is an employee of Ramco Systems Pte. Ltd. Singapore, a subsidiary of the Company, where his remuneration was USD1.47 million (Rs.98.25 million) (including gain of USD 0.28 million (Rs.18.86 million) on exercise of 77,010 stock options and USD 0.01 million (Rs.0.64 million) towards retrials). He did not draw any remuneration from Ramco Systems Ltd., India.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on Behalf of the Board

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

Annexure C

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy:

   The objective of the CSR Policy, amongst others, is to:

   a) Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.

   b) To generate, through its CSR initiatives, a community goodwill for RSL and help reinforce a positive & socially responsible image of RSL as a corporate entity.

   Weblink to the CSR Policy: http://www.ramco.com/investor-relations/Corporate-Social-Responsibility-Policy.pdf

2. The composition of the CSR Committee:

   a) Shri P R Venketrama Raja

   b) Shri M M Venkatachalam

   c) Shri A V Dharmakrishnan

3. Average net profit of the Company for the last three financial years (2013-14 to 2015-16) = Rs.43.93 mln.

4. Prescribed CSR expenditure = Rs.0.88 mln. (2% of the amount as in item 3 above)

5. Details of CSR spent during the financial year 2016-17

   a) Total amount spent for the financial year = Rs.0.9 mln.

   b. Amount unspent, if any = Nil

   c) The manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) local area or other (2) specify the State and District, where projects or programmes were undertaken	Amount of outlay (Budget) projects or programmes – wise Rs.	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads Rs.	Cumulative expenditure upto the reporting period Rs.	Amount spent – direct or thro implementing agency Rs.
1	Promoting education, including special education and employment enhancing vocation skills, especially, among children, women, elderly and the differently abled and livelihood enhancement projects (Clause (ii))	Education	In and around the Registered Office and Corporate Office	9,00,000	9,00,000	9,00,000	Thro Agency -Shri Abhinava Vidyatheertha Seva Trust

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

P R VENKETRAMA RAJA
CHAIRMAN OF CSR COMMITTEE

M M VENKATACHALAM
DIRECTOR

Annexure D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014,the following information is furnished for the year ended 31st March 2017)

(A) Conservation of Energy:

(i) Steps taken or impact on conservation of energy;
- Continued to provide customer hardware in virtualized environment instead of traditional individual multiple server environment. Number of servers allocated was 20.
- Continued the migration from conventional lightings system to LED based energy efficient system for some more parts of the Corporate office at Adyar.

(ii) Steps taken by the company for utilizing the alternate sources of energy: - NIL.

(iii) Capital investment on energy conservation equipments: - Rs.3.46 Mln. during the year

(B) Technology Absorption:

(i) Efforts made towards technology absorption:
- Adoption of Ext JS 6 Single Java script framework
- Deployment of Advanced anti-malware systems across all end points and at perimeter defenses. These anti-malware systems leverage behavioral analysis over and above signature based detection for enhanced protection against malware threats. Devices deployed also leverage Next Generation Firewalls and Global threat exchange databases
- Ramco Cloud Command center has embraced biometric authentication for personnel entering the facility
- Highly secure isolated application access gateway that enable secure access to corporate applications, desktops and network services from any device working from any network for remote Customer Support
- Continued use of:
  - home grown mHub mobile applications by employees for leaves, expenses and approvals,
  - singular access card,
  - Yammer within the Company
  - Skype for Business
  - Social Media to reach out to prospects, customers and investors
  - Our own ERP for running Company's operations

(ii) Benefits derived:
- With Ext JS 6, Ramco is able to use a single JavaScript framework to seamlessly build applications for desktops, tablets, and smartphones. This framework enables the product to leverage many usability features including build applications that enable users to discover critical insights from massive sets of data, helping them to harness the power of big data.
- With heightened levels of security threats in Cyber space, security of end points are enhanced to a superior level for both fixed and mobile devices.
- Ramco Cloud Command center is a high secure area. This is the location from where customer workloads are managed. Biometric authentication ensures only authorized and authenticated personnel enter the area.
- Highly secure environment enabling Ramco Support personnel provide support to its on-premises customers. This deployment enables separation of internal corporate network and at the same time allows support engineers access and perform their support function from their desk. This gateway application helps Ramco network and end points stay secure from modern day Cyber threats
- Helping employees to stay in touch, increasing productivity, reducing costs, gaining customers

(iii) Imported Technology - NIL.

(iv)

Expenditure on R&D (Refer Schedule 6 to R&D Accounts)	(Rs. Mln.)
Particulars	Amount
Capital	1.37
Recurring	338.74
Total	340.11
Total R&D expenditure as a percentage of total revenue	12.24%

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned in terms of actual inflows :	1,404.38
Foreign Exchange Outgo in terms of actual outflows :	254.53

For and on Behalf of the Board

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

Annexure E

DETAILS OF EMPLOYEE STOCK OPTION SCHEMES / PLAN

(A) Employee Stock Option Plan 2000 (ESOP 2000)

At the Extra-Ordinary General Meeting held on 28th August 2000, the Shareholders had approved an issue of 1,60,000 stock options, convertible into equity shares of Rs.10 each under Employee Stock Option Plan, 2000. The Compensation Committee, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed a detailed scheme.

Further, the shareholders have approved the following amendments to ESOP 2000:

(a) Amendments approved at the Extra-Ordinary General Meeting held on 29th September 2006:

1. The options other than those vested in the first lot vests on a quarterly basis with the options under the first lot vesting at the end of one year from the date of Grant.
2. The exercise period has been increased to 10 years from the date of the vesting of the final lot.

(b) Amendments approved at the Annual General Meeting held on 27th July 2007:

In case of severance of employment as a part of the reconstitution / amalgamation / sell off or otherwise all options granted to the employee would vest immediately and the employee would be required to exercise the options within a period of 18 months from the date of severance instead of 3 months from the date of severance. In the event the options are not so exercised within such period, the unexercised options would lapse.

All the unexercised options have been cancelled, pursuant to the tendering for cancellation by the option holders, except for options, details of which are given in the table below.

Details of options granted, vested and exercised as on 31st March 2017:

Date of grant	Number of options granted	Vesting Period	Exercise Price (Rs.)	Options exercised and shares issued	Live vested options (net of cancellations and employee separations)
12th April 2001	1,26,150	2 to 3 years	254 per option	11,750 shares*	Nil
14th December 2003	67,700	3 years	254 per option**	19,950 shares	Nil
4th October 2006	87,500	3 years	177 per option***	Nil	1,363 exercisable till 3rd October 2019

* 11,750 options were exercised at the rate of Rs.254 per option.

** The price of the options were adjusted to Rs.227 per option for the Rights issue 2003 exercise and further adjusted to Rs.223 per option for the Rights issue 2005 exercise as per SEBI guidelines. 18,900 options were exercised at the rate of Rs.227 per option and 1,050 options were exercised at the rate of Rs.223 per option.

*** Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus:

Plan	Original price (Rs.)	No. of options outstanding on 23rd April 2014	Revised price (Rs.)	Revised no. of options
ESOP 2000	177	1,300	169	1,363

(B) Employee Stock Option Scheme, 2003 (ESOS 2003)

At the Extra-Ordinary General Meeting held on 9th April 2003, the Shareholders had approved an issue of 5,00,000 stock options convertible into equity shares of Rs.10 each. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed a detailed scheme. Further, the shareholders had approved certain amendments to ESOS 2003 at the Extra-Ordinary General Meetings held on 29th September 2006 and 27th July 2007, as mentioned in (A) above.

All the unexercised options have been cancelled, pursuant to the tendering for cancellation by the option holders, except for options, details of which are given in the table below:

Details of options granted, vested and exercised as on 31st March 2017:

Date of grant	Number of options granted	Vesting Period	Exercise Price (Rs.)	Options exercised and shares issued	Live vested options (net of cancellations and employee separations)
14th December 2003	4,64,500	3 years	284 per option*	37,975 shares*	Nil
1st December 2005	9,200	3 years	266 per option	Nil	Nil
4th October 2006	2,19,800	3 years	177 per option	Nil	944 exercisable till October 2019
14th July 2007	1,01,100	3 years	163 per option	Nil	Nil

* The price of the options was adjusted to Rs.266 per option for the Rights issue 2005 exercise as per SEBI guidelines. 36,350 options were exercised at the rate of Rs.284 per option and 1,625 options were exercised at the rate of Rs.266 per option post adjustment of exercise price.

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus:

Plan	Original price (Rs.)	No. of options outstanding on 23rd April 2014	Revised price (Rs.)	Revised no. of options
ESOS 2003	177	1,900	169	1,994
	266	500	254	525

(C) Employee Stock Option Scheme 2004 (ESOS 2004)

At the Extra-ordinary General Meeting held on 24th December 2004, the Shareholders had approved an issue of 9,00,000 options convertible into equity shares of Rs.10 each to the Key Managerial Personnel (including, but not limited to, Independent Directors, President and CEO) of the Company as well as Subsidiaries. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed a detailed scheme. The options other than those vested in the first lot vests on a quarterly basis with the options under the first lot vesting at the end of one year from the date of Grant.

Further, the Shareholders have approved the following amendments to the ESOS 2004:

(a) Amendments approved at the Extra-Ordinary General Meeting held on 29th September 2006:

1. The number of shares underlying the aggregate options that may be granted was increased to 12,00,000 equity shares of Rs.10 each from 9,00,000 equity shares of Rs.10 each.
2. Broad basing of the coverage of the scheme to the employees of the Company and its Subsidiaries at all levels as provided in other schemes instead of the scheme being applicable only to the senior level employees.

(b) Amendments approved at the Annual General Meeting held on 27th July 2007:

In case of severance of employment as a part of the reconstitution / amalgamation / sell off or otherwise all options granted to the employee would vest immediately and the employee would be required to exercise the options within a period of 3 months from the date of severance. In the event the options are not so exercised within such period, the unexercised options would lapse.

All the unexercised options have been cancelled, pursuant to the tendering for cancellation by the option holders, except for options, details of which are given in the table below:

Details of options granted, vested and exercised as on 31st March 2017:

Date of grant	Number of options granted	Vesting Period	Exercise Price (Rs.)	Options exercised and shares issued	Live vested options (net of cancellations and employee separations)
1st December 2005	1,00,000	4 years	315 per option	Nil	Nil
4th October 2006	7,47,350	4 years	177 per option	1,500 shares	Nil
14th July 2007	3,00,500	4 years	163 per option	Nil	Nil
31st October 2007	1,62,000	4 years	156 per option	Nil	Nil
6th February 2008	20,000	4 years	165 per option	Nil	Nil
7th August 2008	20,750	4 years	100 per option	Nil	Nil

D) Employee Stock Option Scheme, 2008:

The shareholders at their Extra-Ordinary General Meeting held on 18th September 2008, had approved, an issue of 12,00,000 stock options convertible into equity shares of Rs.10 each. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed a detailed scheme in this regard. The options granted have a vesting period of 4 years and exercise period of 10 years from the date of the vesting of the final lot. The options other than those vested in the first lot shall vest on a Quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant.

Certain employees, being the option holders under ESOP 2000, ESOS 2003 and ESOS 2004, of the Company have surrendered the options for cancellation, owing to the then unfavorable stock market conditions, against grant of fresh options under ESOS 2008, made by the Compensation Committee of the Board of Directors of the Company, in its meeting held on 11th April 2009. The options were surrendered vide Letter of Release dated 5th May 2009 and the same was accepted by the Company. The surrendered options have been cancelled. Accordingly, no further options under ESOP 2000, ESOS 2003 and ESOS 2004 can be granted and the said schemes have been discontinued in respect of the cancelled options. However, there are few employees holding 3,700 options under the aforementioned schemes, representing the earlier grants under ESOP 2000, ESOS 2003 and ESOS 2004, which have not been tendered for cancellation and these options are exercisable in terms of the original grants under the respective schemes.

Initially, at the meeting of the Compensation Committee held on 11th April 2009, 11,28,875 options were granted to the eligible employees at a price of Rs. 53 per share, with a vesting period of 4 years and an exercise period of 10 years from the date of vesting of the final lot. Further grants of options were made to eligible employees by the Compensation Committee as follows with a vesting period of 4 years and an exercise period of 10 years from the date of vesting of the final lot:

Date of the meeting	No. of options granted	Price per option (Rs.)
25th June 2012	50,000	143 per share
23rd August 2012	25,000	138 per share
7th November 2012	50,000	125 per share
29th July 2013	95,000	87 per share
7th March 2014	65,000	241 per share
27th March 2014	20,000	204 per share
Total	**3,05,000**	

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus:

Plan	Original price (Rs.)	No. of options outstanding on 23rd April 2014	Revised price (Rs.)	Revised no. of options
ESOS 2008	53	2,91,023	51	3,05,306
	87	95,000	83	99,670
	125	50,000	119	52,458
	138	25,000	132	26,229
	143	50,000	136	52,458
	204	20,000	194	20,983
	241	65,000	230	68,195

Details of options vested, exercised, lapsed etc. for ESOS 2008 during the year are given in Table 1 - "Option movement during the year 2016-17", given at the end of this Annexure.

(E) Employee Stock Option Scheme, 2009 - Plan A (ESOS 2009 - Plan A) & Employee Stock Option Scheme, 2009 - Plan B (ESOS 2009 - Plan B):

ESOS 2009 - Plan A:

The shareholders at the twelfth Annual General Meeting held on 5th August 2009, have approved, an issue of 5,00,000 options convertible into equity shares of Rs.10 each with the number of options that could be granted to the Non-Executive Directors of the Company not exceeding 20,000 options per year and 1,00,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed detailed schemes in this regard.

At the meeting of the Compensation Committee held on 27th October 2009, 20,000 stock options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at an exercise price of Rs.98 per share. Further 20,000 options were granted at the meeting of the Compensation Committee held on 22nd December 2011 at an exercise price of Rs. 61 per share with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

At the meeting of the Compensation Committee held on 2nd March 2010, 3,82,220 stock options were granted to the eligible employees, at an exercise price of Rs. 94 per option.

During the year 2012-13, the Compensation Committee amended the key features of the ESOS 2009-Plan A under the powers granted by the Shareholders resolution passed on 5th August 2009. As per this, the Compensation Committee can fix the terms and conditions regarding vesting period and vesting pattern at the time of each grant under the scheme. Further to this, the Compensation Committee granted further 1,30,000 options to eligible employees of the Company on 17th May 2012. Out of the 1,30,000 options, 60,000 options were granted to Shri Virender Aggarwal, Chief Executive Officer of the Company, at an exercise price of Rs. 115 per share, having a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot. The options other than those vested in the first lot shall vest on a quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant. 20,000 options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting. The remaining 50,000 options were granted to an eligible employee at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting.

During the year 2013-14, the Compensation Committee granted 5,000 options on 31st May 2013 at an exercise price of Rs.10 per share to Shri A V Dharmakrishnan, Non-Executive Director of the Company with a vesting period of 1 year and an exercise period of 10 years from the date of vesting.

During the year 2014-15, the Compensation Committee granted the following stock options on 8th August 2014 with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot:

Category	Price (Rs.)	Number of options
Shri Virender Aggarwal, CEO	356	25,000
Other employees	356	1,05,000

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus:

Plan	Original price (Rs.)	No. of options outstanding on 23rd April 2014	Revised price (Rs.)	Revised no. of options
ESOS 2009 - PLAN A	10	25,000	10	25,000
	61	20,000	58	20,983
	94	1,91,431	90	2,00,878
	98	20,000	93	20,983
	115	60,000	110	62,949

Details of options vested, exercised, lapsed etc. for ESOS 2009 Plan-A during the year are given in Table 1 - "Option movement during the year 2016-17", given at the end of this Annexure.

ESOS 2009 - Plan B:

The shareholders at the twelfth Annual General Meeting held on 5th August 2009, have approved, an issue of 7,50,000 options convertible into equity shares of Rs.10 each with the number of options that could be granted to the Non-Executive Directors of the Company not exceeding 25,000 options per year and 1,50,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed detailed schemes in this regard.

At the meeting of the Compensation Committee held on 2nd March 2010, 5,73,330, options were granted to the eligible employees, at an exercise price of Rs.94 per share. The options granted have a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot. The options other than those vested in the first lot shall vest on a Quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant.

During the year 2012-13, the Compensation Committee amended the key features of the ESOS 2009-Plan B under the powers granted by the Shareholders resolution passed on 5th August 2009. As per this, the Compensation Committee can fix the terms and conditions regarding vesting period and vesting pattern at the time of each grant under the scheme.

Further to this, the Compensation Committee granted further 85,000 options to eligible employees on 17th May 2012. Out of the 85,000 options, 25,000 options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at an exercise price of Rs. 10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting. The balance 60,000 options were granted to Shri Virender Aggarwal, Chief Executive Officer of the Company, at an exercise price of Rs. 115 per share, having a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

During the year 2014-15, the Compensation Committee granted the following stock options on 8th August 2014 with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot:

Category	Price (Rs.)	Number of options
Shri A V Dharmakrishnan, Non-Executive Director	10	18,750
Shri Virender Aggarwal, CEO	10	25,000
Shri R Ravi Kula Chandran, CFO	10	6,250
	356	6,250
Other Employees	10	1,31,250
	356	1,13,750

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus:

Plan	Existing price (Rs.)	Existing no. of options	Revised price (Rs.)	Revised no. of options
ESOS 2009 - Plan B	10	25,000	10	25,000
	94	2,95,210	90	3,09,750
	115	60,000	110	62,949

Details of options vested, exercised, lapsed etc. for ESOS 2009 Plan-B during the year are given in Table 1 - “Option movement during the year 2016-17”, given at the end of this Annexure.

(F) Employee Stock Option Scheme, 2013 (ESOS 2013):

The shareholders at the Sixteenth Annual General Meeting held on 29th July 2013, have approved, an issue of 10,00,000 stock options convertible into equity shares of Rs.10/- each with the number of stock options that could be granted to the Non- Executive Directors of the Company not exceeding 2,00,000 options per year and 4,00,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed detailed schemes in this regard.

During the year 2014-15, the Compensation Committee / Nomination and Remuneration Committee had granted the following number of stock options on various dates at various exercise prices:

- Shri A V Dharmakrishnan, Non-Executive Director : 37,500 @Rs.155 each and 18,750@Rs.356 each
- Shri Virender Aggarwal, CEO: 50,000@Rs.155 each
- Shri R Ravi Kula Chandran, CFO: 12,500@Rs.155 each
- Other Employees: 20,500@Rs.10 each, 5,13,750@155 each, 22,500@Rs.250 each, 25,000@Rs.340 each, 7,000@Rs.348 each, 98,750@Rs.356 each, 7,500@Rs.426 each, 15,000@Rs.431 each, 17,500@Rs.462 each, 46,250@ Rs.482 each, 27,500@Rs.679 each and 5,250@Rs.696 each.

During the year 2015-16, the Nomination and Remuneration Committee in its meeting held on 11th May 2015 had granted 11,875 stock options @Rs.10 each, 23,750 stock options @Rs.307 each & 26,875 stock options @Rs.613 each.

All the above mentioned options granted have a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

Details of options vested, exercised, lapsed etc. for ESOS 2013 during the year are given in Table 1 - “Option movement during the year 2016-17”, given at the end of this Annexure.

(G) Employee Stock Option Scheme, 2014 (ESOS 2014):

The shareholders vide postal ballot dated 12th September 2014 have approved, an issue of 10,00,000 stock options convertible into equity shares of Rs.10/- each with the number of stock options that could be granted to the Non-Executive Directors of the Company not exceeding 2,00,000 options per year and 4,00,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed detailed schemes in this regard.

During the year 2015-16, the Nomination and Remuneration Committee had granted the following No. of stock options on various dates viz., 5th August 2015, 21st November, 2015, 9th February 2016 and 4th March 2016 at various exercise prices viz., 26,875 stock options @Rs.10 each, 18,000 stock options@Rs.155 each, 12,500 stock options@Rs.311 each, 13,750 stock options @Rs.345 each, 10,000 stock options @Rs.399 each, 12,500 stock options@Rs.533 each, 6,250 stock options @Rs.622 each, 6,875 stock options@Rs.690 each, 5,000 stock options @Rs.797 each and 15,750 stock options @Rs.1,066 each.

During the year 2016-17, the Nomination and Remuneration Committee had granted the following stock options on various dates viz., 29th April 2016, 17th June 2016, 2nd August 2016, 30th August 2016 and 8th November 2016 at various exercise prices viz ., 20,625 stock options @Rs.10 each, 13,250 stock options@Rs.377 each, 6,625 stock options@ Rs.753 each, 16,500 stock options @Rs.351 each, 8,250 stock options@ Rs.701 each, 2,500 stock options@Rs.332 each, 1,250 stock options @Rs.663 each, 4,000 stock options @Rs.257 each, 2,000 stock options @Rs.513 each, 5,000 stock options @Rs.222 each and 2,500 stock options @Rs.443 each.

All the above mentioned options granted have a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

Details of options vested, exercised, lapsed etc. for ESOS 2014 during the year are given in Table 1 - "Option movement during the year 2016-17", given at the end of this Annexure.

Table 1 - Option movement during the year 2016-17:

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013	ESOS 2014	Weighted Avg. Exercise prices (Rs.)
1.	Number of options outstanding at the beginning of the year	1,48,789	2,30,979	3,58,131	7,81,496	1,27,500	216.69
2.	Number of options granted during the year	-	-	-	-	82,500	335.70
3.	Number of options forfeited / lapsed during the year	2,098	628	1,126	37,816	38,000	343.30
4.	Number of options vested during the year	44,335	39,040	90,444	3,16,839	60,756	N.A.
5.	Number of options exercised during the year	29,060	82,484	1,34,096	1,64,525	4,438	113.63
6.	Number of shares arising as a result of exercise of options	29,060	82,484	1,34,096	1,64,525	4,438	N.A.
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	23,83,882	65,44,585	86,82,194	2,94,54,964	44,380	N.A.
8.	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.	N.A.	N.A.	N.A.	-
9.	Number of options outstanding at the end of the year	1,17,631	1,47,867	2,22,909	5,79,155	1,67,562	251.07
10.	Number of options exercisable at the end of the year	99,791	1,30,293	1,84,557	4,37,711	55,318	238.58
11.	Method of calculation of employee compensation cost	Fair Value, using Black Scholes Merton model					
12.	Fair value of the options for the year 2016-17 (using Black Scholes Merton model)	Rs.105.90 mln.					

<table>
<tr><td>13.</td><td>Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at Sl. No. 11 above and the employee cost that shall have been recognized if fair value of options computed at Sl. No. 12 above is used</td><td colspan="5">Not Applicable</td></tr>
<tr><td>14.</td><td>The impact of the difference mentioned in Sl. No. 13 above on profits and on EPS of the Company</td><td colspan="5">Not Applicable</td></tr>
<tr><td>15.</td><td>Weighted-average exercise prices and Weighted-average fair values of options for options whose exercise price either equals or exceeds of is less than the market price of the stock</td><td colspan="5">Weighted average exercise price per option is Rs.251.07
Weighted average fair value per option is Rs.290.72</td></tr>
<tr><td>16.</td><td>Weighted average share price at the date of exercise</td><td colspan="5">The weighted average share price arising upon exercise of Options, based on the closing market price on National Stock Exchange of India Limited on the date of exercise of options (the date of allotment of shares by the Allotment Committee) for the year ended 31st March 2017 was Rs.430.14</td></tr>
<tr><td rowspan="7">17.</td><td rowspan="7">Range of Exercise Prices & Weighted Average remaining contractual life</td><td rowspan="2">Sl. No.</td><td rowspan="2">Particulars</td><td colspan="3">As at 31st March 2017</td></tr>
<tr><td>No. of Options Outstanding</td><td>Range of Exercise Prices (Rs.)</td><td>Weighted Average remaining contractual life (years)</td></tr>
<tr><td>1.</td><td>ESOS 2008</td><td>1,17,631</td><td>51 to 230</td><td>8.66</td></tr>
<tr><td>2.</td><td>ESOS 2009 - Plan A</td><td>1,47,867</td><td>10 to 356</td><td>9.23</td></tr>
<tr><td>3.</td><td>ESOS 2009 - Plan B</td><td>2,22,909</td><td>10 to 356</td><td>8.97</td></tr>
<tr><td>4.</td><td>ESOS 2013</td><td>5,79,155</td><td>10 to 696</td><td>10.51</td></tr>
<tr><td>5.</td><td>ESOS 2014</td><td>1,67,562</td><td>10 to 1066</td><td>11.83</td></tr>
<tr><td colspan="7">Assumptions used during the year to estimate the fair value of options are given below:</td></tr>
<tr><td>i)</td><td>Weighted Average Market price</td><td colspan="5">Rs. 404.00</td></tr>
<tr><td>ii)</td><td>Weighted Average Exercise Price</td><td colspan="5">Rs. 251.07</td></tr>
<tr><td>iii)</td><td>Weighted Average Stock Volatility</td><td colspan="5">5.27%</td></tr>
<tr><td>iv)</td><td>Weighted Average Risk Free Interest Rate (%)</td><td colspan="5">7.75</td></tr>
<tr><td>v)</td><td>Weighted Average expected option life</td><td colspan="5">10 years</td></tr>
<tr><td>vi)</td><td>Weighted Average expected dividends</td><td colspan="5">Dividend yield not considered</td></tr>
<tr><td>vii)</td><td>Methodology for determination of volatility</td><td colspan="5">The volatility of the stock returns (closing price of the Company's stock on NSE) of the Company for the period of one year prior to the date of grant of options has been considered.
The Company has not incorporated the early exercise of options. There are no market conditions attached to the grant and vest.</td></tr>
</table>

Table 2 - Details of options granted in Financial Year 2016-17 to (all grants under ESOS 2014):

Key Managerial Personnel	Shri G Karthikeyan – Company Secretary 2,500 options (625@ Rs.10 each, 1,250@Rs.377 each & 625@ Rs.753 each)
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Smt. Anamika Sharma – General Manager – Sales, INDOP: 8,000 options (2,000@ Rs.10 each, 4,000@Rs.351 each & 2,000@Rs.701 each)
	Smt. Sujata Kushal Suvarna- Regional Delivery Head, HCMRW: 7,000 options (1,750@Rs.10 each, 3,500@Rs.351 each & 1,750@ Rs.701 each)
	Smt. Kavitha Rajan – General Manager, INDOP :10,000 options (2,500@Rs.10 each, 5,000@Rs.351 each & 2,500@ Rs.701 each)
	Shri Anand Sharma , Director - Partner Marketing :8,000 options (2,000@ Rs.10 each, 4,000@Rs.351 each & 2,000@ Rs.701 each)
	Shri Chinmoy Rajpal - Principal Consultant, CIS : 5,000 options (1,250 @Rs.10 each, 2,500@Rs.332 each & 1,250@ Rs.663 each)
	Shri HariKrishna Y N- Associate Director, INDOP :5,000 options (1,250@Rs.10 each, 2,500@Rs.257 each & 1,250@ Rs.513 each)
	Shri Lekshman N –Senior Manager - Projects :5,000 options (1,250@Rs.10 each, 2,500@Rs.222 each & 1,250@Rs.443 each)
	Shri Arun N- Deputy Manager - Presales: 5,000 options (1,250@ Rs.10 each, 2,500@Rs.222 each & 1,250@Rs.443 each)
Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

For and on Behalf of the Board

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

Annexure F

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V(C) of SEBI (LODR) Regulations, 2015)

COMPANY'S PHILOSOPHY ON CODE OF CORPORTE GOVERNANCE

Ramco is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, Ramco Systems Limited endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance framework reflecting the values of the entity are ingrained in the functions. The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31st March 2017.

1. BOARD OF DIRECTORS

The Directors of the Company possess highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the Stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company.

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management. The Chairman of the Board is a Non-Executive Promoter Director. As at 31st March 2017, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges. As required by the Code of Corporate Governance, not less than 50% of the Board of Directors consists of Independent Directors. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

As mandated under Regulation 26(1) of the SEBI (LODR) Regulations, 2015, none of the Directors is a member in more than ten Committees nor any of them is a Chairperson of more than five committees across all listed entities in which they are directors.

The Company was managed by the Vice Chairman & Managing Director (VCMD) during the year ended 31st March 2017, assisted by the Management Team headed by the CEO.

The Board reviews and approves strategy and oversees the performance to ensure that the long term objective of enhancing Stakeholders' value is achieved.

a) Composition of the Board as on 31st March 2017

Sl. No.	Name of the Director	DIN	Category
1.	Shri P R Ramasubrahmaneya Rajha	00331357	Chairman / Non Executive Promoter Director
2.	Shri P R Venketrama Raja	00331406	VCMD / Executive Promoter Director
3.	Shri M M Venkatachalam	00152619	Non Executive Independent Director
4.	Shri V Jagadisan	00058769	Non Executive Independent Director
5.	Shri A V Dharmakrishnan	00693181	Non Executive Non Independent Director
6.	Shri R S Agarwal	00012594	Non Executive Independent Director
7.	Smt. Soundara Kumar	01974515	Non Executive Independent Director

Note:

a) Shri P R Ramasubrahmaneya Rajha, Chairman passed away on 11th May 2017.

b) Shri P R Venketrama Raja, relinquished the post of Managing Director with effect from the closing hours of 3rd June 2017. He was appointed as Chairman from 4th June 2017. His category would be Chairman / Non Executive Promoter Director.

c) Shri P V Abinav Ramasubramaniam Raja (DIN: 07273249) was appointed as an Additional Director with effect from 4th June 2017 to hold office upto the date of the ensuing Annual General Meeting. He was also appointed as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director for a period 5 years commencing from 4th June 2017. His category would be Executive Non Independent Director.

d) Shri P R Ramasubrahmaneya Rajha is the father of Shri P R Venketrama Raja. Shri P R Venketrama Raja is the father Shri P V Abinav Ramasubramaniam Raja.

The Number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31s March 2017 are given below:

Name of the Director	Other Directorships*	Committee Position**	
		Chairperson	Member
Shri P R Ramasubrahmaneya Rajha	8	3	1
Shri P R Venketrama Raja	8	1	4
Shri M M Venkatachalam	5	-	2
Shri V Jagadisan	1	1	-
Shri A V Dharmakrishnan	6	-	3
Shri R S Agarwal	7	3	4
Smt. Soundara Kumar	6	1	3

* Public Limited Companies, other than Ramco Systems Limited.

** Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than Ramco Systems Limited.

b) Meetings and Attendance

The Board met four times during the year on, 20th May 2016, 3rd August 2016, 9th November 2016 and 7th February 2017. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows

Name of the Director	Attendance	
	Board Meetings	Last AGM
Shri P R Ramasubrahmaneya Rajha	4	Yes
Shri P R Venketrama Raja	4	Yes
Shri M M Venkatachalam (Chairman of the Audit Committee)	4	Yes
Shri V Jagadisan	4	Yes
Shri A V Dharmakrishnan	4	Yes
Shri R S Agarwal	4	Yes
Smt. Soundara Kumar	4	No

The Board of Directors periodically review Compliance Reports pertaining to all laws applicable to the Company. No non-compliance was reported during the year under review.

The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013.

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

Details of familiarisation programme for Independent Directors:

The details of the familiarisation programme for Independent Directors are available at the Company's website, at the following link at http://www.ramco.com/investor-relations/Independent-Directors-Familiarisation-Programme.pdf.

2. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee with all its Members being Non-Executive Directors, to oversee the accounting and financial governance of the Company. The Chairperson of the Committee is an Independent Director.

a) Composition

The Audit Committee of the Board comprises of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri M M Venkatachalam, Chairman	4
2.	Shri V Jagadisan	4
3.	Shri A V Dharmakrishnan	4

During the year the Committee met four times, viz., 19th May 2016, 2nd August 2016, 8th November 2016 and 6th February 2017.

The Senior Management team of the Company comprising of the Chief Executive Officer and the Chief Financial Officer, the Statutory Auditor and the Internal Auditor are invited to attend the Meetings of the Committee, as invitees. The Company Secretary is the Secretary to the Committee.

Two thirds of the members of the Audit Committee are Independent Directors as stipulated in Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015.

b) Brief description of terms of reference

The terms of reference of the Committee, which are in line with the requirements of the Part C of Schedule II of SEBI (LODR) Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the adequacy of internal audit function;
- Reviewing the functioning of the Whistle Blower mechanism;

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

c) The Committee has been reconstituted on 4th June 2017, with Smt. Soundara Kumar as the Chairperson and with Shri M M Venkatachalam, Shri V Jagadisan and Shri A V Dharmakrishnan as the members.

3. NOMINATION AND REMUNERATION COMMITTEE

a) Composition

The Nomination and Remuneration Committee discharges the functions as envisaged by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee of the Board comprises of the following Non-Executive Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri M M Venkatachalam, Chairman	7
2.	Shri V Jagadisan	7
3.	Shri A V Dharmakrishnan	7

During the year the Committee met seven times, viz., 29th April 2016, 19th May 2016, 17th June 2016, 2nd August 2016, 30th August 2016, 8th November 2016 and 6th February 2017.

b) Brief description of terms of reference

The terms of reference include the following:

– Identifying persons who are qualified to become Directors and who may be appointed in Senior Management and their removal.

– Formulation of Criteria for evaluation of Independent Directors and the Board
– Evaluation of the Directors' performance
– Formulating the criteria for determining qualification, positive attributes and independence of a Director and to recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
– Formulation of detailed terms and conditions of Share Based Employee Benefits Scheme, administration and supervision of the same.

c) Nomination and Remuneration Policy

The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company. The said Policy is available in the Company's website.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

d) Remuneration to the Directors

The details of remuneration paid to Directors are given in Form MGT-9, forming part of annexure to Board of Directors' Report.

(i) Remuneration to Non-Executive Directors during the Financial Year 2016-17:

The Non-Executive Directors were paid the following sitting fees per meeting:

Particulars	(Rs.)
Board Meeting	15,000
Audit Committee Meeting	15,000
Meeting of Independent Directors	15,000

Details of Sitting Fees paid to Non-Executive Directors during the financial year 2016-17 are as follows:

Name of the Director	Board Meeting (Rs.)	Committee Meeting (Rs.)	Total (Rs.)
Shri P R Ramasubrahmaneya Rajha	60,000	--	60,000
Shri M M Venkatachalam	60,000	75,000*	1,35,000
Shri V Jagadisan	60,000	75,000*	1,35,000
Shri A V Dharmakrishnan	60,000	60,000	1,20,000
Shri R S Agarwal	60,000	15,000*	75,000
Smt. Soundara Kumar	60,000	15,000*	75,000

* Includes fee of Rs.15,000 for the meeting of Independent Directors.

(ii) Remuneration to Managing Director during the Financial Year 2016-17:

The remuneration of Shri P R Venketrama Raja, Managing Director is governed by the resolution passed by the shareholders at the Annual General Meeting held on 28th July 2014 for a period of three years with effect from 22nd May 2014 and it is equivalent to 5% of the Net Profits of the Company and in case of inadequacy of profits, as per Section II, Part II of Schedule V of the Companies Act, 2013. Shri P R Venketrama Raja was also the Vice Chairman & Managing Director of Ramco Industries Ltd. During the financial year 2016-17, from where he drew remuneration, subject to his aggregate remuneration drawn from both the Companies limited to the higher of 5% of the net profits of the Company or Ramco Industries Ltd. During the year, the

Nomination and Remuneration Committee (formerly Remuneration Committee) has fixed a Basic Pay of Rs.7,20,000 p.a., allowances / perquisites of Rs.3,60,000 p.a. and other applicable statutory contributions. His total remuneration for the year amounted to Rs.11,66,400.

(iii) Stock options to Non-Executive Director

Compensation Committee has so far granted options to Shri A V Dharmakrishnan, Non-Executive Director as follows:

Sl. No.	Date of the Compensation Committee Meeting	No of options granted	Terms and Conditions
1.	27th October 2009	20,000 (Revised to 20,983 options due to Rights Issue)	20,000 options (revised to 20,983 options due to Rights Issue) was granted under ESOS 2009 - Plan A at an exercise price of Rs. 98/- (re-priced to Rs.93/- due to Rights Issue) per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 25th October 2022
2.	22nd December 2011	20,000 (Revised to 20,983 options due to Rights Issue)	20,000 options (revised to 20,983 options due to Rights Issue) was granted under ESOS 2009 - Plan A at an exercise price of Rs. 61/- (re-priced to Rs.58/- due to Rights Issue) per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 21st December 2024
3.	17th May 2012	45,000	20,000 options was granted under ESOS 2009 - Plan A and 25,000 options under ESOS 2009 – Plan B at an exercise price of Rs.10/- per share as per SEBI guidelines with a vesting period of 1 year and an exercise period of 10 years from the date of vesting of the final lot, i.e. 16th May 2023
4.	31st May 2013	5,000	5,000 options was granted under ESOS 2009 - Plan A at an exercise price of Rs. 10/- per share as per SEBI guidelines with a vesting period of 1 year and an exercise period of 10 years from the date of vesting of the final lot, i.e. 30th May 2024
5.	8th August 2014	18,750	18,750 options was granted under ESOS 2009 – Plan B at an exercise price of Rs. 10/- per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 7th August 2027
6.	8th August 2014	37,500	37,500 options was granted under ESOS 2013 at an exercise price of Rs. 155/- per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 7th August 2027
7.	8th August 2014	18,750	18,750 options was granted under ESOS 2013 at an exercise price of Rs. 356/- per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 7th August 2027

Except as mentioned above, no stock options were granted to any other Directors of the Company and there are no convertible instruments issued by the Company.

Under section 2(78) of the Companies Act, 2013, “remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites under the Income-Tax Act, 1961. In accordance with section 17(2) of the Income-Tax Act, 1961, the difference between the market price of the securities on the date on which the stock option is exercised and the price at which the stock options were granted is considered as perquisite. Hence, the value of perquisite if any arising at the time of exercise of the stock options by Shri A V Dharmakrishnan would amount to remuneration and if it exceeds the limit specified under Section 197(1) of the Companies Act 2013, the same would require approval of the Central Government. In this regard, shareholders have since accorded their approval at the Annual General

Meeting held on 6th August, 2015 by passing Special Resolution. An application was filed with Central Government on 2nd May 2016 to obtain the approval for exercise of 1,33,216 options by him which have been vested till 31st March 2016. Subsequent to filing of the above application, the Company had received a letter from Ministry of Corporate Affairs (MCA) stating that a Company may pay remuneration to its Non-Executive Directors including Independent Directors after complying with the provisions of Companies Act, 2013 and that the instant application made by the company had been rejected, closed and filed.

Further to this, the Company had obtained expert advice and had allotted equity shares pursuant to the exercise of stock options by Shri A V Dharmakrishnan.

Date of Exercise	Date of Allotment	Scheme	No. of shares allotted	Exercise Price per share (Rs.)	Amount received Rs.	Perquisite value Rs.
30th Nov 2016	22.12.2016	ESOS 2009 Plan – A	20,983 20,983 25,000	93 58 10	19,51,419 12,17,014 2,50,000	3,15,03,442
	22.12.2016	ESOS 2009 Plan – B	35,312	10	3,53,120	
	22.12.2016	ESOS 2013	20,626	155	31,97,030	
3rd Jan 2017	18.01.2017	ESOS 2013	10,312	356	36,71,072	NIL*

* Since the market price of Rs.348.50 per share as on the date of exercise ie., 3rd Jan 2017 was less than the exercise price, the perquisite value was NIL.

(iv) The details of the shares held by the Directors of the Company as at 31st March 2017 are as follows:

Name of the Director	No. of Shares Held	Percentage to Capital
Shri P R Ramasubrahmaneya Rajha	5,43,703	1.79
Shri P R Venketrama Raja	32,17,441	10.58
Shri M M Venkatachalam	Nil	Nil
Shri V Jagadisan	Nil	Nil
Shri A V Dharmakrishnan *	136,942	0.45
Shri R S Agarwal	Nil	Nil
Smt. Soundara Kumar	Nil	Nil
Total	**38,98,086**	**12.82**

* For details of stock options granted, exercised and outstanding, please refer point (iii) above.

(v) Pecuniary relationship / transactions of Non-Executive Directors:

Please refer Note No. 35 - Related Party Transactions – to the Standalone Financials.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company attaches highest importance to Investor Relations. The Committee discharge the functions as envisaged by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 to focus on the prompt and effective redressal of the Shareholders' grievances and strengthening of Investor Relations.

a) **Composition**

The Stakeholders' Relationship Committee of the Board comprises of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri P R Ramasubrahmaneya Rajha, Chairperson of the Committee	5
2.	Shri P R Venketrama Raja	6
3.	Shri A V Dharmakrishnan	6

During the year the Committee met six times viz.,29th April 2016, 7th May 2016, 20th May 2016, 2nd June 2016, 29th June 2016 and 29th December 2016.

b) **Brief description of terms of reference**

The Committee's main focus is on the basic rights of the Shareholders including, Transfer of Shares, Transmission / Transposition of Shares, Issue of Duplicate/Split Certificates, Sub Division/Consolidation of Shares, Consolidation of Folios, Dematerialization/Rematerialization of Shares, Change of address, non receipt of the Refund Orders, non receipt of the Share Certificates and such other issues relating to investor relations.

c) **Status of Shareholders' Grievances**

The Shareholders Committee and the Board reviews the status of Shareholders' Grievances received by the Company together with the status of their redressal at every meeting.

During the year, the Company has not received any complaints and there were no Shareholders' Grievances pending as at 31st March 2017.

d) **Name and designation of Compliance Officer**

Shri G Karthikeyan, Company Secretary was the Compliance Officer as per Regulation 6 of SEBI (LODR) Regulations, 2015 till the date of his separation from the Company, ie 5th December 2016. The Company had since identified a Company Secretary and issued offer letter to him.

e) The Committee has been reconstituted on 4th June 2017 with Shri P R Venketrama Raja as the Chairperson and with Shri A V Dharmakrishnan as member.

5. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

i) ALLOTMENT COMMITTEE

a) **Composition**

The Board of Directors has constituted an Allotment Committee with the following Members:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri M M Venkatachalam	10
2.	Shri V Jagadisan	10
3.	Shri P R Venketrama Raja	9

During the year the Committee met ten times, viz., 29th April 2016, 2nd June 2016, 4th July 2016, 16th August 2016, 23rd September 2016, 25th November 2016, 22nd December 2016, 18th January 2017, 23rd February 2017 and 20th March 2017 for allotting shares to employees pursuant to exercise of Employee Stock Option Schemes.

b) **Brief description of terms of reference**

The scope of the Committee comprises of allotment of shares and/or securities arising out of the stock option schemes, Rights Issues, Public Issues, Preferential Issues etc. The Meetings of the Committee are held based on the requirements for the business to be transacted.

ii) **FUND RAISING COMMITTEE**

a) **Composition**

The Board of Directors, at the meeting held on 6th November 2014, had constituted Fund raising Committee with the following Members:

Sl. No.	Name of the Director
1.	Shri V Jagadisan
2.	Shri A V Dharmakrishnan
3.	Shri P R Venketrama Raja
4.	Shri M M Venkatachalam

During the year, the Committee did not meet.

b) **Brief description of terms of reference**

The scope of the Committee comprises of overseeing the entire fund raising programme of the Company.

6. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 7th February 2017 to review the performance of non - Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

7. GENERAL BODY MEETINGS

(i) The following are the details of Date, Location and Time of the General Meetings held during last three financial years:

Date	Meeting	Location	Time
4th August 2016	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 A.M.
6th August 2015	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 A.M.
28th July 2014	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 A.M.

(ii) Details of Special Resolutions passed in the previous three Annual General Meetings:

Date of the AGM	Subject Matter of the Special Resolution
4th August 2016	Re-appointment of Shri P R Venketrama Raja, as Managing Director from 1st April 2017 in order to align the term with the financial year being followed by the company i.e., 1st April to 31st March
6th August 2015	Remuneration to Shri A V Dharmakrishnan, Non-Executive Director of the Company arising on exercise of stock options.
28th July 2014	Amendment of the Articles of Association, for enabling appointment of Managing Director as Chairperson / Vice Chairman of the Company as well.
	Re-appointment of Shri P R Venketrama Raja as Managing Director for a period of three years effective from 22nd May 2014.
	Authorisation for the Company to borrow, the maximum amount so outstanding not to exceed Rs.5,000 million.
	Maintenance of the Register of Members and other Statutory Registers at the Company's Corporate Office at Chennai.

8. POSTAL BALLOT

No Special Resolutions on matters requiring Postal Ballot were passed during the year under review. No Special Resolution is proposed to be conducted through Postal Ballot as on date.

9. CEO / CFO CERTIFICATION

The Vice Chairman & Managing Director of the Company Shri P R Venketrama Raja, Chief Executive Officer of the Company Shri Virender Aggarwal along with Chief Financial Officer of the Company Shri R Ravi Kula Chandran, have certified compliance with the stipulations of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 in relation to the Annual Financial Statements for the year 2016-17.

10. CODE OF CONDUCT

Declaration signed by the Vice Chairman & Managing Director and Chief Executive Officer of the Company under Regulation 17(5) read with Schedule V (D) of SEBI (LODR) Regulations, 2015 is given in **Annexure – G.**

11. INFORMATION REGARDING UNCLAIMED SHARES

The Company has no unclaimed shares that are required to be transferred to Unclaimed Suspense Account. Accordingly, Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015 is not applicable to the Company.

12. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are published in English in Business Standard (All Editions) and in Makkal Kural. The results were also displayed on the Company's website www.ramco.com. Press Releases made by the Company and transcripts of the investor calls from time to time are also displayed on the Company's website.

13. GENERAL SHAREHOLDER INFORMATION

a) Details of the forthcoming Twentieth Annual General Meeting

1.	Date	4th August 2017
2.	Day	Friday
3.	Time	11.45 A.M.
4.	Venue	P.A.C.R. Centenary Community Hall, Sudharsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 108

b) Financial Calendar for 2017-18 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2017-18 are as under:

Financial Results for the Quarter ending 30th June 2017	Between 15th July & 14th August 2017
Financial Results for the Quarter ending 30th September 2017	Between 15th October & 14th November 2017
Financial Results for the Quarter ending 31st December 2017	Between 15th January & 14th February 2018
Financial Results for the year ending 31st March 2018	Between 15th May & 30th May 2018
Twenty First Annual General Meeting of the Company, for the year ending 31st March 2018	July / August 2018

c) Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges with the stock codes as indicated against each Stock Exchange:

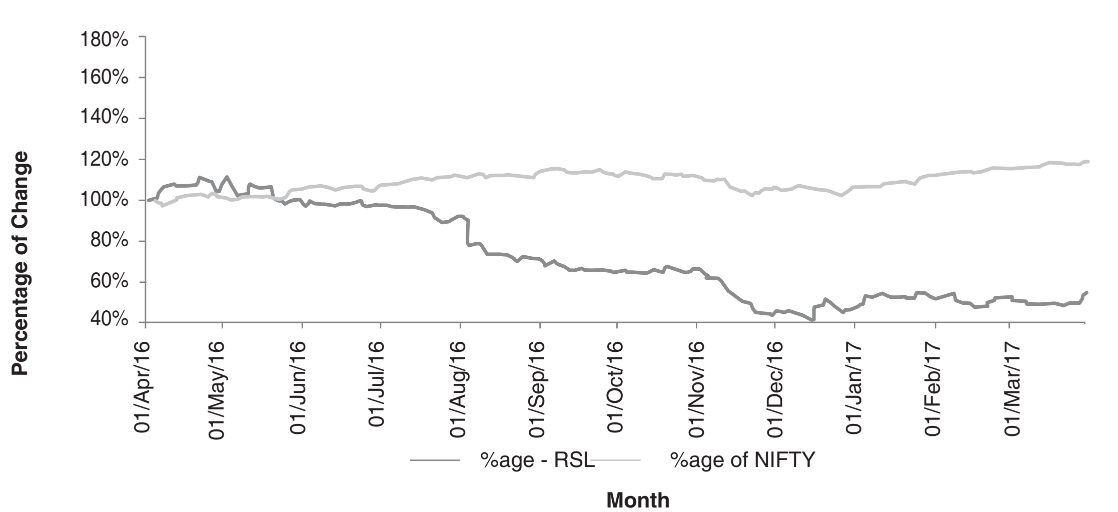
Name of the Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai – 400 001	532370
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	RAMCOSYS

In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2017-18 have been paid to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

d) Details of the Share price movements in the National Stock Exchange of India Ltd. and BSE Ltd.

Month	BSE Share Price (Rs.)		BSE Sensex		NSE Share Price (Rs.)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-16	802.75	700.90	26,100.54	24,523.20	804.00	702.00	7,992.00	7,516.85
May-16	814.00	697.05	26,837.20	25,057.93	814.20	691.70	8,213.60	7,678.35
Jun-16	730.20	675.00	27,105.41	25,911.33	729.90	654.00	8,308.15	7,927.05
Jul-16	719.40	615.00	28,240.20	27,034.14	712.00	616.00	8,674.70	8,287.55
Aug-16	680.00	494.00	28,532.25	27,627.97	675.00	490.70	8,819.20	8,518.15
Sep-16	532.65	436.50	29,077.28	27,716.78	532.80	435.50	8,968.70	8,555.20
Oct-16	524.00	450.00	28,477.65	27,488.30	507.00	442.40	8,806.95	8,506.15
Nov-16	500.00	304.20	28,029.80	25,717.93	487.00	304.10	8,669.60	7,916.40
Dec-16	376.90	286.00	26,803.76	25,753.74	376.50	285.00	8,274.95	7,893.80
Jan-17	405.95	331.00	27,980.39	26,447.06	406.65	331.00	8,672.70	8,133.80
Feb-17	399.00	335.00	29,065.31	27,590.10	398.00	335.00	8,982.15	8,537.50
Mar-17	404.00	342.65	29,824.62	28,716.21	401.40	343.20	9,218.40	8,860.10

Relative Performance of Ramco Systems Limited's (RSL) Share Price in comparison with NSE Nifty



e) Registrar and Share Transfer Agent

M/s. Cameo Corporate Services Limited, Chennai, is the Registrar and Share Transfer Agent (RTA) for handling the physical and electronic registry work. The Shareholders are requested to address their share related requests / queries to the RTA at the following address:

M/s. Cameo Corporate Services Limited

Unit: Ramco Systems Limited

Subramanian Building, No.1, Club House Road,

Chennai – 600 002.

Tel: +91 44 2846 0390 (5 lines) Fax: +91 44 2846 0129

f) **Share Transfer System**

The requests for physical Share Transfers, Transmissions, Transposition etc., are received by the Company or by the Registrar and Share Transfer Agent. In respect of shares, which are traded in the dematerialised form, the transfers are processed and approved in electronic form by NSDL/CDSL through their Depository Participants.

The physical Share Transfers, Transmissions, Transposition, etc., are processed based on number of requests received and keeping in view the prescribed timeline. The shares lodged for physical Transfer/Transmission/Transposition are registered as per the requirement of the SEBI (LODR) Regulations, 2015, if the documents are complete in all respects. Adequate care is taken to ensure that no share transfers are pending for more than the period stipulated in the SEBI (LODR) Regulations, 2015. Shares requested for dematerialisation are generally confirmed within 10 days.

To ensure swift processing of the Share Transfers, Transmissions, Transposition etc., the Board of Directors have delegated necessary powers to the Stakeholders' Relationship Committee.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

g) **Shareholding Pattern and the Distribution of Shareholding as at 31st March 2017:**

Category of Shareholder	Number of Shareholders	Total Shares	Of this, Shares in demat form	Percentage of holding to total shares
(A) Promoters and Promoter Group				
Individuals / Hindu Undivided Family	9	45,48,548	45,48,548	14.96
Bodies Corporate	8	1,21,75,979	1,21,75,979	40.05
Trusts	-	-	-	-
Promoter shareholding (A)	**17**	**1,67,24,527**	**1,67,24,527**	**55.01**
(B) Non-Promoters Institutional Investors				
Mutual Funds / UTI	4	27,02,724	27,02,424	8.89
Financial Institutions / Banks	8	50,698	50,548	0.17
Insurance Companies	1	880	880	0.00
Foreign Institutional Investors	1	5,39,358	5,39,358	1.77
Foreign Portfolio Investor (Corporate)	17	35,74,913	35,74,913	11.76
Sub Total	**31**	**68,68,573**	**68,68,123**	**22.59**
General Public				
Bodies Corporate	375	7,33,622	7,33,063	2.41
Indian Public	12,497	49,05,459	46,98,616	16.13
Others including HUF, NRIs, Foreign Nationals, Clearing Members etc	792	11,73,158	11,69,058	3.86
Sub Total	**13,664**	**68,12,239**	**66,00,737**	**22.40**
Non-Promoters shareholding (B)	**13,695**	**1,36,80,812**	**1,34,68,860**	**44.99**
Total Shareholding (A)+(B)	**13,712**	**3,04,05,339**	**3,01,93,387**	**100.00**

The Distribution of Shareholding of the Company as at 31st March 2017 is as follows:

Sl. No.	Holding range	Number of shareholders	% of total	Shares	% of total
1.	Between 1 and 100	9,357	68.24	3,74,575	1.23
2.	Between 101 and 500	2,938	21.43	7,22,557	2.38
3.	Between 501 and 1,000	601	4.38	4,62,412	1.52
4.	Between 1,001 and 2,000	368	2.68	5,49,215	1.81
5.	Between 2,001 and 3,000	112	0.82	2,80,313	0.92
6.	Between 3,001 and 4,000	65	0.47	2,26,693	0.75
7.	Between 4,001 and 5,000	50	0.36	2,35,109	0.77
8.	Between 5,001 and 10,000	88	0.64	6,41,001	2.11
9.	More than 10,000	133	0.97	2,69,13,464	88.52
	Total	**13,712**	**100.00**	**3,04,05,339**	**100.00**

h) Dematerialization of Shares and Liquidity

The equity shares of the Company are admitted in the following Depositories of the country under the International Securities Identification Number (ISIN) INE246B01019. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company. The Company has entered into Agreements with both NSDL and CDSL to facilitate the shareholders to dematerialize their equity shares with any one of the Depositories.

Name of the Depository	Address
National Securities Depository Limited	Trade World, A wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai - 400 001

The annual custodial / issuer charges to the respective Depository for the financial year 2017-18 have been paid as on date.

As at 31st March 2017, 3,01,93,387 equity shares, representing 99.30% of the Company's total number of shares, have been dematerialized.

In view of the benefits embedded in holding of the securities in demat form, the shareholders holding the shares in physical forms are requested to demat their shares at the earliest.

i) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

The Company has no outstanding ADR/GDR/Warrants or any convertible instruments as on 31st March 2017.

j) Plant Location and R&D Center :

No.64, Sardar Patel Road, Taramani, Chennai - 600 113.

k) Address & E-mail id for investors Correspondence, queries and grievances :

Shri R Ravi Kula Chandran, CFO
No:64, Sardar Patel Road, Taramani, Chennai - 600 113.
Phone: +91 44 2235 5558 Fax : +91 44 2235 5078
e-mail:investorcomplaints@ramco.com

(or)

M/s. Cameo Corporate Services Limited
(Unit: Ramco Systems Limited)
Subramanian Building,
No.1, Club House Road, Chennai - 600 002,
Phone: +91 44 2846 0390 (5 lines) Fax: +91 44 2846 0129

l) The details relating to commodity price risks and commodity hedging activities are not applicable.

m) Other Information to Shareholders

(i) Reconciliation of Share Capital Audit

As required by Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 a 'Reconciliation of Share Capital Audit' is done every Quarter by a Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL and the total issued and paid up capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(ii) Compliance Certificate

Compliance Certificate dated 30th May 2017 from our Statutory Auditors, M/s. CNGSN & Associates LLP is given in **Annexure H.**

14. OTHER DISCLOSURES

a. There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.

b. There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

c. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee.

d. The Company has complied with the Mandatory requirements under SEBI (LODR) Regulations, 2015. The status of adoption of the Non-Mandatory requirements specified in Part E of Schedule II is given below:

   i. The Company's financial statements are unmodified for the year 2016-17.

   ii. The Company has appointed separate persons for the posts of Chairperson, Managing Director and CEO.

   iii. The Internal auditor directly reports to the Audit Committee.

e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink is :

   http://www.ramco.com/investor-relations/corporate-governance/material-subsidiary-policy.

   The Company has only overseas subsidiaries, which are not listed. Based on the said policy, none of the said subsidiaries qualify as a material subsidiary. The management of the unlisted subsidiaries periodically bring to the notice of the Board, a statement on significant transactions and arrangements if any, entered into by them. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.

f. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is:

   http://www.ramco.com/investor-relations/corporate-governance/related-party-transaction-policy.

g. The details relating to commodity price risks and commodity hedging activities are not applicable.

h. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.

i. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.

j. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.

k. As required under Regulation 46(2) of SEBI (LODR) Regulations, 2015 the following information have been duly disseminated in the Company's website.

   * Terms and conditions of appointment of Independent Directors
   * Composition of various committees of Board of Directors
   * Code of Conduct of Board of Directors and Senior Management Personnel
   * Details of establishment of Vigil Mechanism/Whistle Blower Policy
   * Policy on dealing with Related Party Transactions
   * Policy for determining 'Material' Subsidiaries
   * Policy on Corporate Social Responsibility
   * Details of Familiarization Programmes imparted to Independent Directors

l. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.

m. The Company also has the following Committees of the Board of Directors

   (i) Rights Issue 2013 Committee

   Members

Sl. No.	Name of the Director
1.	Shri M M Venkatachalam
2.	Shri V Jagadisan
3.	Shri P R Venketrama Raja
4.	Shri A V Dharmakrishnan

   The Committee did not meet during the year.

   (ii) Corporate Social Responsibility Committee

   Members

Sl. No.	Name of the Director	No. of meetings attended
1.	Shri M M Venkatachalam	2
2.	Shri P R Venketrama Raja	2
3.	Shri A V Dharmakrishnan	2

   During the year, the Committee met one time, viz., 8th November 2016.

n. Credit Rating

   ICRA, the Company's credit rating agency, has assigned the long term and short term ratings as per details given below:

Security	Rating
Long term fund based facilities	A- (Stable)
Short term non-fund based facilities	A2+
Long term proposed facilities	A- (Stable)
Short term proposed facilities	A2+

Annexure G

Declaration from the Vice Chairman & Managing Director and CEO under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (LODR) Regulations, 2015 the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2017.

For RAMCO SYSTEMS LIMITED

Place: Chennai	**VIRENDER AGGARWAL**	**P R VENKETRAMA RAJA**
Date : 30th May 2017	CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN & MANAGING DIRECTOR

Annexure H

Auditor's Certificate on Corporate Governance (under Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of
Ramco Systems Limited, [CIN: L72300TN1997PLC037550]
47, PSK Nagar, Rajapalayam - 626 108

We have examined the compliance of the conditions of Corporate Governance by Ramco Systems Limited ("the Company") for the financial year ended 31st March 2017, as stipulated under Regulation numbers 17 to 27, clause (b) to (i) of Regulation 46(2), Schedule II and Schedule V (paragraphs C, D and E) of the Securities and Exchange Board of India (LODR), Regulations, 2015.

The Company's management is responsible for compliance with the conditions of Corporate Governance. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, during the year ended 31st March 2017, complied with the applicable conditions of Corporate Governance.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S/LLP No.S200036

C N GANGADARAN
Partner
Membership No.:011205

Place : Chennai
Date : 30th May 2017

Annexure I

Management Discussion and Analysis

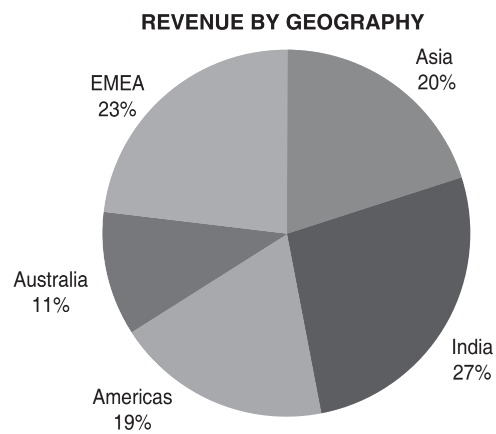
a) Overview

The enterprise applications market has been continuously maturing over the years. Thanks to technological disruptions, there's been a radical market transformation as conventional on-premise software products give way to Cloud applications. With changing business models, the biggest shift in the enterprise applications market could be the re-platforming of the enterprise.

Technologies such as Artificial Intelligence, Natural Language Processing, Machine Learning are gaining inroads into the enterprise applications market in a large way. Investment is flowing rapidly into the development of AI technologies, both at the startup level as well as within some of the world's leading technology companies. With technology changing at break-neck speed, there is the drive to stay at the forefront of change.

Ramco has been riding the Innovation wave to compete in the global market. During the year, our geographical revenue spread continued to show a healthy mix, with 73% coming from markets outside India. What's more is the even distribution of revenue mix across geographies. Ramco's quest to be on the forefront of innovation has led to significant business drive wherein external influential factors like geo-political issues do not pose major threat to the organization. While such factors might hinder the performance for a specific period, it will not cause significant dip in the revenue generated from the region.

For the Financial year ended March 31, 2017, the consolidated net profit after tax stood at USD 1.60 mln. (Rs.108.76 mln.). The overall consolidated revenue of USD 67.24 mln. (Rs.4491.77 mln.) from various regions is depicted as below:



On domestic front, business grew at a standard pace. We continued to strengthen our foothold with the addition of marquee customers for ERP and HCM offerings. In India, we witnessed organizations like **GoAir, Air India, MakeMyTrip** announcing successful implementations, during the year. To strengthen the implementation expertise, regional Implementation teams were created to focus on delivering customer delight across projects. Thrust on partners as force multipliers continued with significant business being driven through the partner ecosystem.

Asia showed stellar performance all through the year contributing 20% to the overall revenue. The year witnessed marquee brand names including one of the Top 5 global Transportation and Logistics Company to leading Japanese electronics manufacturer – **Panasonic Group of Companies in Malaysia** entering our client fold. The strategy to expand into markets like Vietnam, Indonesia and Philippines (VIP markets) has triggered further momentum to build in the region. Yet another strategic development was Ramco's entry into China. Within a short span of setting up presence, we have grown to strike 10+ engagements across Aviation, ERP and HCM in China.

With the ability to cover most parts of APAC Payroll on a single platform powered with Mobility and future-ready features such as Bots; Ramco HCM was a star performer is Asian markets. For a second year in row, Ramco HCM bagged the 2016 HR Vendors of the Year Awards for **Best Talent Management Software and Payroll Software.** While HCM with Global Payroll has always ruled the Asia region, ERP turned the tide in its favor with its Logistics Suite. From Malaysia's leading Courier service provider, Nationwide Logistics to Philippines market leader, AAI Logistics; Ramco Logistics has started making steady inroads into the region. FY 2018 promises a lot more as we embark on marketing our success in Logistics domain and addressing the market opportunity ahead of us.

Americas – While Aviation has always been the front runner in U.S. market, FY 2017 marked the entry of Ramco HCM into the American soil. With HCM winning standalone deals in the region, the year ahead will be key for growth in the region.

On ERP front, Ramco Logistics is gaining rapid traction in the market. Leading transportation and logistics provider, **G&D Integrated** embarked on an enterprise-wide technology revamp with **Ramco Systems**' ERP for Logistics.

Aviation continued its growth in Americas with wins including Canada's Leading Aerospace & Defence In-Service Support Integrator, L-3 MAS, selecting Ramco Aviation Suite. Ramco's long standing customers including Republic Airways and Air Evac were among the many who upgraded to the latest version. Not to miss the multi-million dollar deal that was struck with a Fortune 200 leading aerospace company that designs, manufactures, deploys, and supports commercial aviation products for more than 300 Airlines in the world.

Business in the **Europe, Middle East & Africa** grew at a steady pace. Contributing 23% to the overall revenue, this year, we acquired some prestigious clients in the region including **Danube Group, Horizon Hospitality Holdings, Western International Group, Transworld Group**, amongst the others.

From a new market, **Australia** has grown to become a strong hold for Ramco with 25+ clients in the region. As Ramco Systems' fastest growing geography with highest CAGR since setting up presence in FY12-13 – the financial year also witnessed the opening of our Oceania headquarters in Melbourne. From Logistics to ERP; HR & Payroll to Aviation – ANZ has an appetite for all offerings that Ramco offers.

b) Challenges:

The business model of Cloud requires time to mature and grow. Unlike the licensing business where revenue gets accrued immediately, cloud based revenues accrue over a 3 to 5-year period. While many of the Cloud companies may have a strong order book, the same will not be reflecting in their revenue in a short term. This, when compared to a traditional business model may seem to look non-profitable from the outside. Businesses in the Silicon Valley have broken free from this traditional mindset of reviewing organization against profitability to rewarding Cloud based companies for their ability to build order book. The investor's ability to see the potential in long term is what distinguishes a Cloud company's success.

The other major change that Cloud has brought into the Enterprise sale is that Customers are no longer chained to a vendor and have the option to switch vendors if they find the service or solution not addressing the need. While this has enabled a fair play market opportunity where the vendor with the best solution will win; it also leads to unpredictable revenue inflow for the future. To address this market reality, at Ramco we have been offering clients value through innovative technologies such as Bots and HoloLens, well ahead of competition. This has been a great differentiator in retaining and winning new logos.

Also to keep the business momentum up, substantial thrust is placed on building a robust ecosystem of partners who can take the products to global markets. This is an area which we are improving year on year.

c) Opportunities

Traditionally, ERPs have seen limited usage within enterprises as they come with complex screens and require extensive training. With the advent of Artificial Intelligence, Natural Language Processing, conversations are gaining a whole new meaning. By bringing the technology to the enterprise system, we believe adoption of ERPs will not just be restricted to a few pockets, but will get universally used across the organization.

Also, from a business context, enterprise applications is a highly cluttered market with limited room for differentiation. We don't want to be just another ERP player in the market. It is our thirst to deliver customer value that drives us to bet on new technology and bring innovative features to the market. While traditional ERP goliaths are playing the catch-up game, we pride in being amongst the pioneers in bringing bots to enterprises. Bot is our sling that is getting the 'digital' and 'user experience' savvy ERP buyer to us.

HoloLens on the other hand has been paving way for the future of work. In a nutshell, umpteen number of disruptive innovation with real-time business use cases have been developed at The MRO Innovation Lab, Singapore, during the year.

d) Partnerships and Alliances

With the dawn of the era of Conversation as a Platform (CaaP), Ramco has been investing time and effort in building enterprise chatbots, to help organizations take advantage of the conversation economy and increase productivity multi-fold. This year witnessed our association with Microsoft Azure, to bring enterprise chatbots on Skype and Teams. As a part of this strategic association, Microsoft Azure will serve as the Infrastructure layer bundled with the Innovative offerings from Ramco, built to address enterprise business, which aims at bringing in exceptional capabilities to life. This collaborative strategy has been displaying the technology and innovative strides both organizations are making. We also continue to invest time, effort and money in developing our overall partner ecosystem comprising of System Integrators, Business/ Sales & Implementation Partners.

e) Human Resources

The future growth and competitiveness depends on attracting the best talent and empowering them to achieve their own and the organization's goals. Building a learning organization was one of the key focus areas in the year. With the implementation of a comprehensive training and career fast track program and ACE club (Achieve Continuous Excellence) for campus hired and high potential employees, we are building the capacity for the future.

The average age of the workforce stood at 28.6 years. The total number of employees stood at 1,735 as on 31st March 2017.

f) 2016-17 Key Milestones

12 April, 2016: Agreement announced with **Australia-based CTI Logistics subsidiary, GMK Logistics** for **Ramco Logistics Software**, to automate the manual processes pertaining to GMK's key supply chain operations by providing modules for better management of warehousing & transportation, freight and fleet, purchase and inventory, integrated with finance and HR all under a unified structure. This win marks **Ramco's foray into Western Australia**.

15 April, 2016: Announced the **setting up of a wholly-owned subsidiary in Philippines under the name Ramco System Inc.**

27 April, 2016: Bagged the **Top Social Selling Company Award in Asia from LinkedIn**, the world's largest professional network with more than 414 million members globally. **LinkedIn recognizes Ramco** and its employees across geographies **for the outstanding digital presence**.

3 May, 2016: Agreement announced with **Viadux** - a leading local manufacturer and distributor of water and environmental solutions, to incorporate **Ramco's end-to-end ERP and HCM applications** into Viadux's business, and also leverage Ramco Payroll and Analytics on Cloud. The five-year contract will help Viadux retire its legacy applications and move to a completely Cloud-based, Mobile and Analytics enabled ERP as an innovation platform to streamline processes and take advantage of the single, fully integrated platform-as-a-service solution.

25 May, 2016: Signed agreement with **Patria Helicopters AB (PHAB),** the authorized service centre in the Nordic region for mixed fleet of AgustaWestland, Bell and Airbus Helicopters to implement **Ramco Aviation on Cloud**. With Mobile enabled features, Ramco Aviation Suite will help the company seamlessly track and monitor activities and inventory across its MRO and engineering services.

14 June, 2016: Announced the successful **implementation of Ramco Managed Payroll Services at MakeMyTrip**, India's leading online travel company. With Ramco's Managed Payroll Services platform, MakeMyTrip derives benefits of a unified payroll processing system to effectively and efficiently handle operations of its 1600+ employees.

20 June, 2016: Signed pact with **Middle-East based Danube Group** to implement **Ramco HCM integrated with Global Payroll**, in order to automate and integrate HR operations for more than 2500 employees in Middle East, Africa and India markets.

11 July, 2016: Positioned as **'Achiever' in Everest Group's Multi-country Payroll Platform Assessment**. Assessed against 'Usage & Execution Effectiveness' and 'Functionality' Ramco made it to the Achiever's quadrant due to the innovative features, functionalities, and ease of use for both payroll managers as well as employees.

19 July, 2016: Bagged the **CIOHONOUR® AWARDS 2016** for **Best Cloud HR & Payroll Software** as voted on by Singapore's CIO community and presented during the 2016 RED CARPET HONOUR® Reception event held at St. Regis Hotel, Singapore.

10 August, 2016: Entered into a **strategic partnership with CloudPay**, one of the world's foremost providers of managed global payroll and payment services, to deliver next generation integrated Global Payroll solution.

30 August, 2016: Announced the **successful go-live of Ramco Aviation Suite** at state-owned **Vietnamese helicopter operator, Southern Vietnam Helicopter Company (VNHS)**. Being Ramco's first live customer in Vietnam, VNHS experiences seamless integration, visibility and control across complete M&E operations.

6 September, 2016: Agreement announced with **Canada's Leading Aerospace & Defence In-Service Support Integrator, L-3 MAS**, to implement **Ramco Aviation Suite V5.7** to manage the Maintenance, Repair and Overhaul (MRO) operations of the Royal Canadian Air Force fleet of CC-150 Polaris aircraft.

27 September, 2016: Announced the **successful go-live of Ramco Systems' full-suite ERP solution** at Malaysian government-backed Hospital Support Services provider, **Sedafiat Sdn. Bhd** to manage non-clinical services across 27 hospitals, in Sabah region.

11 October, 2016: Announced the **upgrade of Ramco Aviation Suite V5.4 to V5.7** at **Republic Airways Holdings (RAH)**, well-known US based regional airline. The upgrade enables RAH to better leverage Kitting, Inquire Material Count, Material Condition, Manage Stock Replenishment and Shop Work Orders along with the added advantage of Mobility powered by Ramco Anywhere Apps, across 50+ locations.

26 October, 2016: Announced the **successful go-live of Ramco Aviation Suite** at **Taiwan based Far Eastern Air Transport (FAT)**. Ramco Aviation Suite V5.7 has been deployed across six of the Taiwanese carrier's stations, automating and streamlining maintenance and engineering functions with over 300 users.

27 October, 2016: Agreement announced with Malaysia's Leading Courier Service Provider, **Nationwide Express** to implement **Ramco Systems' Logistics ERP Software** across 180+ locations.

Ramco Systems Limited, INDIA

11 November, 2016: Announced the **availability of Ramco Aviation Suite for China market**. Also signed agreement with China-based aircraft maintenance and engineering company, Belinco as customer; and, inked strategic partnership with SRN Info, to widen the horizon and offer a holistic next-gen technology experience to Aviation companies, in the region.

15 November, 2016: Launched Ramco's new office in Melbourne which will also became the **Oceania Headquarters** for the company. Clocked yet another **strategic win with SeaRoad Holdings** for **Ramco Logistics Suite**.

18 November, 2016: Announced the **setting up of a wholly-owned subsidiary in China under the Ramco Systems (Shanghai) Co. Ltd.**

23 November, 2016: Agreement announced with Brunei's largest bank and flagship Islamic financial institution, **Bank Islam Brunei Darussalam Berhad (BIBD)**, to integrate business processes across HR and enterprise resource planning functions with **Ramco Systems' Enterprise Resource Planning (ERP)** bundled with full suite Human Capital Management (HCM) and Global Payroll.

5 December, 2016: For second year in a row, **bagged 4 major awards at HR Vendors of the Year 2016 event, in Singapore, Malaysia and Hong Kong**. Ramco beat global software vendors to win **Gold for Best Payroll Software** in all three regions where the awards were hosted and **Silver for Talent Management** in Hong Kong.

14 December, 2016: Agreement announced with Philippines' leading logistics and remittance brand, **LBC Express, Inc.**, to automate HR & Payroll operations of 8000 employees across 30+ countries,

15 December, 2016: Announced the **upgrade of Ramco Aviation Suite V5.5 to Ramco Aviation M&E/MRO Solution V5.8** at **GoAir**, India's fastest growing LCC, across 23 locations to experience **power of Mobility and Anywhere Apps**

19 December, 2016: Agreement announced with **Horizon Hospitality Holdings LLC**, UAE-based food service operator, representing brands including ABD El Wahab, Asia Asia, Vapiano, Lock Stock & Barrel and Que 43, to implement **Ramco Systems' HCM offering integrated with Global Payroll**

26 December, 2016: Agreement announced with UAE-based business conglomerate and parent company of prominent brands NESTO & GEEPAS, **Western International Group**, for **Ramco HCM & Global Payroll**, to unify and digitize HR operations of its 10,000+ employees across 10 countries.

4 January, 2017: Multi-million dollar Cloud HR & Payroll transformation agreement signed with **Panasonic Group of companies in Malaysia**, to consolidate **HR and Payroll** operations spread across 21 legal entities covering around 20,000 employees on unified platform powered by Mobility and Analytics.

10 January, 2017: Agreement announced with US-based **G&D Integrated** to implement **Ramco's comprehensive Logistics ERP Suite** in 20+ facilities spread across North America.

16 January, 2017: Agreement announced with **Global Shipping and Logistics conglomerate, Transworld Group** to automate Transworld's Human Resources hire-to-retire functionality on a single unified platform.

23 January, 2017: Agreement announced with Malaysia's Multi-disciplinary manufacturer and supplier of Food & Beverage flavours, **Matrix Sdn. Bhd.**, for **Ramco ERP Suite**, to automate Production, Sales, Administration and HR functions at Matrix.

21 February, 2017: Announced the successful implementation of Ramco Systems' aviation software, **Ramco Aviation V5.7**, at **United States' largest independently owned and operated, membership-supported air medical service, Air Evac EMS, Inc.**, for a fleet of 150+ rotor wing aircraft covering 130 air bases across 15 states

14 March, 2017: Agreement announced with **New Zealand's Innovative fertiliser company, Ravensdown**, to deploy **Ramco Aviation Suite v5.8**, in order to enable **Ravensdown Aerowork** automate and unify the maintenance and overhaul operations of its fleet.

21 March, 2017: Agreement announced with **Indonesia's Leading Rail Transit Operator, PT Mass Rapid Transit Jakarta (PT MRTJ)** for **Ramco ERP suite**, to digitize its regional finance and accounting functions.

For and on Behalf of the Board

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

Annexure J

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of LODR]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<table>
<tr><td>1</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">L72300TN1997PLC037550</td></tr>
<tr><td>2</td><td>Name of the Company</td><td colspan="4">Ramco Systems Limited</td></tr>
<tr><td>3</td><td>Registered address</td><td colspan="4">47 PSK Nagar, Rajapalayam – 626 108</td></tr>
<tr><td>4</td><td>Website</td><td colspan="4">www.ramco.com</td></tr>
<tr><td>5</td><td>E-mail id</td><td colspan="4">rkc@ramco.com</td></tr>
<tr><td>6</td><td>Financial Year reported</td><td colspan="4">1st April 2016 to 31st March 2017</td></tr>
<tr><td rowspan="4">7</td><td rowspan="4">Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td colspan="4">Codes as per NIC – 2008</td></tr>
<tr><td>Group</td><td>Class</td><td>Sub class</td><td>Description</td></tr>
<tr><td>620</td><td>6201</td><td>62013</td><td>Providing software support and maintenance to the clients</td></tr>
<tr><td>631</td><td>6311</td><td>63111</td><td>Data processing, hosting and related activities; Data processing activities including report writing</td></tr>
<tr><td>8</td><td>List three key products/services that the Company manufactures/provides (as in balance sheet)</td><td colspan="4">(i) Computer Programming, Consultancy and related activities
(ii) Hosting and related activities</td></tr>
<tr><td>9</td><td>Total number of locations where business activity is undertaken by the Company</td><td colspan="4">(a) Number of International Locations : Please refer the list of overseas location given at the end of the Annual Report.
(b) Number of National Locations :5</td></tr>
<tr><td>10</td><td>Markets served by the Company</td><td colspan="4">India, America, Europe, Middle East, Africa, Asia (Malaysia, Singapore, Philippines, Indonesia, Vietnam, China and Hong Kong), Australia and New Zealand.</td></tr>
</table>

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital - Rs. In Million	Rs.304.41
2	Total Turnover - Rs. In Million	Rs.2,779.41
3	Total profit after taxes - Rs. In Million	Rs.506.78
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent Rs.9 Lakhs on CSR, which is 2% of average net profits of the Company made during the three immediately preceding financial years.
5	List of activities in which expenditure in 4 above has been incurred	Refer to Annexure C to Directors' Report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes. Refer to Annexure B to Directors' Report
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Business Responsibility initiatives of the Company are not applicable to its foreign subsidiaries.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company involves its Business Associates in its Business Responsibility initiatives. However, their extent of participation in terms of percentage cannot be quantified.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1	DIN Number	00331406
2	Name	Shri P R Venketrama Raja
3	Designation	Chairman

(b) Details of the BR head

1	DIN Number	NA
2	Name	Shri Virender Aggarwal
3	Designation	Chief Executive Officer
4	Telephone Number	+91 44 2235 2171
5	E-Mail ID	brr@ramco.com

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. They are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. Principle-wise (as per PVGs) BR Policy / Policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for BR Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies conform to the guidelines / standards of Companies Act, 2013 and other statutory acts, regulations, notifications, etc. The policies / standards are at par with generally accepted practices for the respective principles.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.ramco.com/investor-relations/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's website contains the policies for information of all internal and external stakeholders. Further, relevant communication is provided to stakeholders through appropriate mediums.								
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The ISO Standards and other standards adopted by the Company are subject to routine monitoring / evaluation / review by their concerned external agencies on periodical basis. The implementation of the policies is subject to review by Statutory Auditors and Internal Auditors.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee consisting of 3 Directors is responsible to assess the Business Responsibility performance of the Company and to oversee the implementation of the various policies. It is reviewed on annual basis or as and when the need arises.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published in the Annual Report and also placed on the Company's website at www.ramco.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company's policies viz. Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy which lay down the rules and procedures by which any stakeholder can report the actual or suspected improper activities of any kind, fraud and violation of company's code of conduct. The whistle blower policy extends to individuals who are in full time or part time employment with the company or its subsidiaries including those serving as consultants and contract / third party employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No complaint has been received under Whistle Blower Policy. During the year under review no complaints has been received from Shareholders.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

   Ramco Products are supported on both Cloud (Public and Private) and On-premise. A significant portion of new order are for Cloud.

   For large deployments, cloud solutions can reduce energy use and carbon emissions by more than 30 percent (based on information available in public domain) when compared to the corresponding business applications installed on-premise. The benefits are even more impressive for small deployments. Energy use and emissions can be reduced by more than 70 percent with a shared cloud service.

   Several key factors enable cloud computing to lower energy use and carbon emissions from IT:

   - Dynamic Provisioning: Reducing wasted computing resources through better matching of server capacity with actual demand.
   - Multi-Tenancy: Flattening relative peak loads by serving large numbers of organizations and users on shared infrastructure.
   - Server Utilization: Operating servers at higher utilization rates.
   - Data Center Efficiency: Utilizing advanced data center infrastructure designs that reduce power loss through improved cooling, power conditioning, etc.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   Ramco hosts its Cloud applications on AWS, MS-Azure and Netmagic data centres based on country closest to the Client and based on Client preferences

   The benefit derived would depend upon

   - User Count: Number of provisioned users for a given application.
   - Server Count: Number of production servers to operate a given application.
   - Device Utilization: Computational load that a device (server, network device or storage array) is handling relative to the specified peak load.
   - Power Consumption per Server: Average power consumed by a server
   - Power Consumption for Networking and Storage: Average power consumed for networking and storage equipment in addition to server power consumption.
   - Data Center Power Usage Effectiveness (PUE): Data center efficiency metric which is defined as the ratio of the total data center power consumption divided by the power consumption of the IT equipment. Power usage effectiveness accounts for the power overhead from cooling, power conditioning, lighting and other components of the data center infrastructure.
   - Data Center Carbon Intensity: Amount of carbon emitted to generate the energy consumed by a data center, depending on the mix of primary energy sources (coal, hydro, nuclear, wind, etc.) and transmission losses. The carbon emission factor is a measurement of the carbon intensity of these energy sources.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   Yes.

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes. Most of the inputs are sourced locally.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company gives priority to procure goods and avail services from local and small vendors, located near to the offices..

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Yes. RAMCO has contributed towards recycling of Waste Paper and same has been appreciated/acknowledged by ITC LTD (Paper Boards & Specialty Papers Division). We had also recycled & used all Printer Toner cartridges after refilling them. All e waste products which are less than 5 % are being disposed through a government approved / authorized vendors.

   The process involves collection of e waste products, Test & separation of the items based on use, identify them for sale / disposal, and remove them from our asset records and disposal after approval.

Principle 3

1. Please indicate the Total number of employees: 1735 and Trainees: 251
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

   Third Party Employee: 161 & Retainer: 37 (both included in 1735 above)
3. Please indicate the Number of permanent women employees. : 440
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management. : No
6. What percentage of your permanent employees is members of this recognized employee association? : Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	60%
(b)	Permanent Women Employees	65%
(c)	Casual/Temporary/Contractual Employees	75% (Including Project Interns) 57% (Excluding Project Interns)
(d)	Employees with Disabilities	Nil

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   No

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company's CSR programmes are mainly targeted in improving the socio, economic and infrastructure conditions of the localities around the registered / corporate offices.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company's Code of Conduct and HR practices have been developed to respect and protect human rights. It extends only to the Company and its Subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the year under review, the Company did not receive any complaint in respect of violation of human rights.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   Ramco has its key focus on Cloud based solutions and offering. It has an ecosystem of vendors and suppliers who work with these solutions both as intermediaries and as solution partners. Given the context, there is a natural preference to work with other product vendors which are also on cloud. The products are hosted on Cloud infrastructure providers like Aws, MS-Azure and Netmagic.

   Ramco partners with service / implementation providers who also believe in Cloud solutions and are keen to take Cloud based offerings forward.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   While this is not getting addressed and tracked directly today, indirectly does get addressed. Ramco strategically focuses to promote use of its Cloud solution to all their Clients across the globe. An increase in adoption of Cloud solutions has been observed over years. This does contribute in a positive manner towards global environmental concerns such as climate change and global warming

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. The Company has a mechanism in place to identify and assess potential environmental risk. The Company's Risk Management Policy covers Environmental Risk and the process for managing it.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   None.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes, we have registered our Company with the following significant Associations:

   The Confederation of Indian Industry (CII),

   The National Association of Software and Services Companies (NASSCOM)

   The American Chamber of Commerce in India (AMCHAM – India)

   The Southern India Chamber of Commerce and Industry (SICCI)

   Global Payroll Association

   Indo-Australian Chamber of Commerce

   Australian Payroll Association Pty Ltd

   Supply Chain & Logistics Association of Australia

   The American Chambers of Commerce in Singapore (AMCHAM Singapore)

   The Society for Human Resource Management (SHRM)

   The Associated Chambers of Commerce of India (ASSOCHAM)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   In an effort to drive advocacy globally and locally, we have been working with associations like NASSCOM / CII by supporting their reforms.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes. It seeks to achieve through its CSR initiatives.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   CSR initiatives have been started from this financial year. It was done through an agency.

3. Have you done any impact assessment of your initiative?

   Impact assessment will be undertaken in due course.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   During the year ended 31st March 2017, the Company has spent Rs.0.9 mln. towards its CSR commitment. The details are available in Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   This will be ensured.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There are no customer complaints which will have any major business impact.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   Not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No cases are filed by any stakeholder against the company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes. Ramco does undertake customer satisfaction surveys from time to time.

Annexure K

I. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2016-17:

Name of Director / KMP	Designation	Remuneration of Director / KMP for Financial Year 2016-17 (Rs. million)	% increase / (Decrease) in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
Shri P R Ramasubrahmaneya Rajha	Chairman / Non-Executive Promoter Director	0.06	-20.00%	0.15	
Shri M M Venkatachalam	Non-Executive Independent Director	0.14	-3.57%	0.34	
Shri V Jagadisan	Non-Executive Independent Director	0.14	-12.90%	0.34	
Shri A V Dharmakrishnan	Non-Executive Non-Independent Director	0.12	-14.29%	0.30	
Shri R S Agarwal	Non-Executive Independent Director	0.08	-16.67%	0.19	
Smt. Soundara Kumar	Non-Executive Independent Director	0.08	-	0.19	
Shri P R Venketrama Raja	Vice Chairman & Managing Director	1.17	No change	2.91	Profit After Tax for the financial year 2016-17 was Rs.506.78 million as against Rs.143.13 million for the financial year 2015-16.
Shri R Ravi Kula Chandran	Chief Financial Officer	9.49	29.11% Refer Note b	Not applicable	
Shri G Karthikeyan	Company Secretary	0.86	Refer Note c	Not applicable	

Notes:

(a) Shri Virender Aggarwal, Chief Executive Officer is an employee of Ramco Systems Pte., Ltd. Singapore, a subsidiary of the Company, where his remuneration for 2016-17 was USD 1.47 million (Rs.98.25 million) and the % increase in 2016-17 was 15.57% (there was a decrease of 4.30%, if the perquisite value of stock options exercised in the financial year 2016-17 is not considered). He did not draw any remuneration from Ramco Systems Ltd., India. Hence he is not considered for the purposes of arriving at the figures in Points (iii), (iv), (viii) and (xi) below. For comparison of remuneration against the performance of the Company, please refer to the above table.

(b) There is a decrease of 16.11%, if the perquisite value of stock options exercised in the financial year 2016-17 is not considered.

(c) Shri G Karthikeyan resigned with effect from 05 Dec 2016 and hence his remuneration for the financial year 2016-17 is not comparable.

(iii) The median remuneration of employees of the Company during the financial year was Rs.4,00,799 and the percentage decrease in the median remuneration was 9.44%.

(iv) There were 1,537 permanent employees on the rolls of Company as on 31st March 2017 as against the count of 1,735 employees including those in subsidiaries & third party resources.

(v) Relationship between average increase in remuneration and company performance:

There was no significant relationship between the average increase in remuneration and the Company's performance.

(vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 18% (there was a decrease of 6%, if the perquisite value of stock options exercised in the financial year 2016-17 is not considered), from Rs.92.95 million in the financial year 2015-16 to Rs.109.76 million in the financial year 2016-17. The Profit After Tax for the financial year 2016-17 increased by 254% compared to financial year 2015-16, from Rs.143.13 million in the financial year 2015-16 to Rs.506.78 million in the financial year 2016-17.

(vii) (a) Variations in the market capitalisation of the Company : The market capitalisation of Rs.21,248.44 million as on 31st March 2016 had decreased to Rs.11,684.77 million as on 31st March 2016, showing a decrease of 45%.

(b) Price Earnings ratio: The price earnings ratio of the Company was 23 as at 31st March, 2017 and was 145 as at 31st March 2016.

(c) Percentage increase/decrease in the market quotations of shares of the company as compared to the rate at which company came out with last public offer: Not applicable, since the Company has not made any public offer. The closing share price of the Company at National Stock Exchange of India Limited on 31st March 2017 being Rs. 384.30 per equity share of face value of Rs. 10/- each, has decreased by 39% since the last QIP Issue made during the year 2015-16 (Issue Price was Rs. 635/- per equity share of face value of Rs. 10/- each).

(viii) Average percentage decrease in salaries of employees other than the managerial personnel in the financial year 2016-17 was 17% (6%, if the perquisite value of stock options exercised is not considered) whereas there was no increase in the managerial remuneration in the financial year 2016-17.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company– Provided under i & ii above.

(x) The key parameters for any variable component of remuneration availed by the Directors – Not applicable since there is no variable component in the remuneration payable to Directors.

(xi) The ratio of the remuneration of the highest paid Director to that of the employees of the Company who are not Directors but receive remuneration in excess of the highest paid Director during the year is 1 : 13.54 ; (1 : 10.74, if the perquisite value of stock options exercised in the financial year 2016-17 is not considered).

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

II. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Top 10 Employees in terms of remuneration drawn during the year

Name	Designation	Remuneration including retirals (Rs. million)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the company
Balaji R	VP & Head - ERP Presales	7.86	B.E. (23)	7-Nov-94	47	Bajaj Auto Ltd
Hari Krishnan	Vice President - Middle East And North Africa	11.93	M. Com, MBA (25)	4-Jun-07	45	Tally India Ltd
Raghvendra Tripathi	Vice President	7.11	B. Tech., IIT, MBA (20)	25-Jun-30	46	Satyam Computer Services Ltd.
Ranganathan J	Senior Vice President & SBU Head - Aviation Business	8.35	Master of Management Studies (23)	25-Sep-97	50	Whirl pool India Ltd.
Ranjan Tayal	SVP & SBU Head - HCM	15.79	B. Tech. (26)	16-May-12	50	Capgemini India Pvt Ltd.
Ravi Kula Chandran R	Chief Financial Officer	9.49	B. Com, CA (30)	1-Feb-02	56	General Signal India Pvt. Ltd.
Ritvik Awasthi .	Head-R&D (HCM Payroll)	7.70	B. Tech. (23)	15-Jul-14	48	Sunlife India Service Centre Pvt. Ltd.

Rohit Mathur	Vice President - Business Excellence	6.02	B.E., MBA (15)	16-Oct-12	42	Capgemini India Pvt Ltd.
Saravanan V	Vice President-GBA	7.73	B.E. (24)	1-Jun95	47	Wipro Fluid Power Ltd
Shyamala Jayaraman	Senior Vice President - ERP	9.68	B.E. (25)	14-Feb-91	48	PSI Data Systems Ltd.

(ii) Employed throughout the financial year 2016-17 and was in receipt of remuneration, in the aggregate, not less than Rs. 10.20 million per annum

Name	Designation	Remuneration including retirals (Rs. million)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the company
Ranjan Tayal	SVP & SBU Head - HCM	15.79	B. Tech. (26)	16-May-12	50	Capgemini India Pvt Ltd.
Hari Krishnan	Vice President - Middle East And North Africa	11.93	M. Com, MBA (25)	4-Jun-07	45	Tally India Ltd

(iii) Employed for a part of the financial year 2016-17 and was in receipt of remuneration, at a rate which, in the aggregate, not less than Rs.0.85 million per month – Nil.

NOTES:

1. All appointments are contractual.
2. No employee who was in receipt of remuneration in excess of that drawn by Managing Director, holds two percent or more of the equity shares of the Company by himself or along with his spouse and dependent children.
3. Remuneration includes salary, performance linked incentives / pay, allowances, contribution to provident fund, gratuity, superannuation fund, national pension system, leave encashment and taxable value of perquisites.

For and on Behalf of the Board

Place : Ralapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Ramco Systems Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS 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 (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.. 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 judgments 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income) , its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 20, 2016 and May 29, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.,

   (e) on the basis of written representations received from the Directors as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act;

   (f) we have enclosed our separate report in "Annexure II" with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us:

      i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note no.38 to the standalone Ind AS financial statements;

      ii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses and

      iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note no. 34 to the standalone Ind AS financial statements

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S
LLP Registration No. S200036

C N GANGADARAN
Partner
Membership No.:011205

Place : Chennai
Date : 30 May 2017

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section, of our report of even date on the standalone Ind AS financial statements of Ramco Systems Limited ("the Company") for the year ended March 31, 2017)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year, in accordance with a phased programme of verification, which in our opinion is reasonable having regard to the size of the Company. According to the information and explanation given to us no material discrepancies have been noticed on such physical verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory has been physically verified during the year by the management and no material discrepancies have been noticed on such verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, LLPs or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable to the Company.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) The Company has not accepted any deposits from the public.

(vi) The requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148(1) of the Act is not applicable to the Company for the year under audit.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other material statutory dues as applicable to it during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) There are disputed statutory dues aggregating to Rs.80.44 Mln. that have not been deposited on account of matters pending before appropriate authorities, as under:

Name of the Statute	Nature of dues	Forum where dispute is pending	Rs. Mln.
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Honorable High Court of Madras	75.86
Finance Act 1994	Service Tax	Commissioner of Service Tax (Appeals)	4.58

(viii) The Company has not defaulted in repayment of dues to financial institutions or banks or government or debenture holders during the year.

(ix) The Company has raised loans from banks and financial institutions during the year and the proceeds have been applied for the purposes they were raised. During the year, the Company has not raised money by way of initial public offer or further public offer.

(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order is not applicable to the Company.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S
LLP Registration No. S200036

C N GANGADARAN
Partner
Membership No.:011205

Place : Chennai
Date : 30 May 2017

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section, of our report of even date on the Standalone Ind AS Financial Statements of Ramco Systems Limited for the year ended March 31, 2017)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of RAMCO SYSTEMS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S
LLP Registration No. S200036

C N GANGADARAN
Partner
Membership No.:011205

Place : Chennai
Date : 30 May 2017

BALANCE SHEET AS AT 31 MARCH 2017

	Note No.	**As at 31.03.2017 Rs. Mln.**	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
ASSETS				
Non-current assets				
Property, plant and equipment	5	**128.38**	135.08	125.33
Intangible assets	6	**2,503.43**	2,571.45	2,600.94
Investment in subsidiaries	7	**1,786.05**	1,421.96	1,239.31
Financial assets	8			
Investments		**15.00**	15.00	-
Trade receivables		**3.35**	-	4.97
Other financial assets		**43.09**	16.04	5.61
Tax assets (net)		**126.97**	199.63	162.54
Deferred tax assets (net)	9	**467.83**	-	-
Other non-current assets	10	**1.12**	1.69	2.26
		5,075.22	4,360.85	4,140.96
Current assets				
Inventories	11	**0.16**	2.22	0.09
Financial assets	12			
Loans and advances		**673.22**	321.41	124.78
Trade receivables		**1,172.38**	1,471.04	1,222.54
Cash and cash equivalents		**19.95**	17.69	25.88
Other financial assets		**337.02**	570.35	564.93
Tax Assets (net)		**98.72**	65.14	-
Other current assets	13	**69.96**	42.65	93.31
		2,371.41	2,490.50	2,031.53
Total assets		**7,446.63**	6,851.35	6,172.49
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	**304.41**	300.26	244.39
Other equity	15	**6,546.83**	5,874.95	2,395.97
Total equity		**6,851.24**	6,175.21	2,640.36
Liabilities				
Non-current liabilities				
Financial liabilities	16			
Borrowings		**-**	-	2,175.00
Other financial liabilities		**-**	-	9.16
Provisions	17	**59.65**	58.17	53.72
Other non-current liabilities	18	**13.94**	-	-
		73.59	58.17	2,237.88
Current liabilities				
Financial liabilities	19			
Borrowings		**50.00**	-	540.00
Trade payables		**200.77**	239.41	196.40
Other financial liabilities		**19.03**	14.98	261.39
Provisions	20	**6.83**	3.14	2.30
Liabilities for current tax		**52.12**	65.14	3.76
Other current liabilities	21	**193.05**	295.30	290.40
		521.80	617.97	1,294.25
Total liabilities		**595.39**	676.14	3,532.13
Total equity and liabilities		**7,446.63**	6,851.35	6,172.49

The accompanying policies and notes form an integral part of the financial statements

Significant Accounting Policies, Judgements and Estimates	1-4
Notes on Financial Statements	5-43

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

C N GANGADARAN
Partner
Membership No.:011205

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Note No.	**Year ended 31.03.2017 Rs. Mln.**	Year ended 31.03.2016 Rs. Mln.
Income			
Revenue from operations	22	**2,779.41**	2,620.99
Finance income	23	**94.63**	21.37
Other income	24	**3.08**	7.42
Total income		**2,877.12**	2,649.78
Expenses			
Purchase of stock-in-trade	25	**7.19**	23.14
Changes in inventories of stock-in-trade	25	**2.06**	(2.13)
Employee benefits expense	26	**1,059.71**	1,138.60
Finance costs	27	**12.68**	35.69
Depreciation and amortisation expense	28	**464.26**	454.60
Other expenses	29	**1,239.05**	791.61
Total expenses		**2,784.95**	2,441.51
Profit before tax		**92.17**	208.27
Income tax expense			
Current tax (includes MAT)		**52.12**	65.14
Deferred tax (includes MAT credit)		**(466.73)**	-
Total Income tax expense	9	**(414.61)**	65.14
Profit for the year		**506.78**	143.13
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) of defined benefit obligations	26.1	**(3.18)**	(4.80)
Income tax on above item(s)	9	**1.10**	-
		(2.08)	(4.80)
(ii) Items that may be reclassified to profit or loss			
Effect of change in functional currency of foreign operations		**19.02**	(1.28)
Income tax on above item(s)		**-**	-
		19.02	(1.28)
Other comprehensive income for the year (i + ii)		**16.94**	(6.08)
Total comprehensive income for the year		**523.72**	137.05
Earnings per Equity Share of Rs.10 each			
Basic		**16.81**	4.87
Diluted		**16.81**	4.69
Weighted average equity shares used in computing earnings per share			
Basic		**30,148,545**	29,381,673
Diluted		**30,148,545**	30,550,342

The accompanying policies and notes form an integral part of the financial statements

Significant Accounting Policies, Judgements and Estimates	1-4
Notes on Financial Statements	5-43

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

C N GANGADARAN
Partner
Membership No.:011205

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
A. Cash flow from operating activities:		
Profit before tax	**92.17**	208.27
Adjustments for :		
Depreciation and impairment of property, plant and equipment (PPE)	**46.20**	50.13
Amortisation and impairment of intangible assets	**418.07**	404.47
Share based payment expenses accrual	**105.90**	179.50
(Profit) / loss on sale of PPE (Net)	**1.18**	1.86
Provision for bad and doubtful debts & other financial assets	**193.35**	1.55
Bad and doubtful debts & other financial assets	**203.78**	128.24
Remeasurement of defined benefit obligations	**(3.18)**	(4.80)
Effect of exchange difference on translation of fixed assets	**(0.12)**	-
Effect of change in foreign currency translation reserve	**19.02**	(1.28)
Unrealised exchange (gain) / loss	**88.15**	(23.83)
Finance income	**(94.63)**	(21.37)
Finance costs	**12.68**	35.69
Operating profit before working capital / other changes	**1,082.57**	958.43
Adjustments for :		
Increase / (decrease) in provisions	**5.17**	5.29
Increase in trade and other payables	**(38.64)**	43.01
Increase in other current liabilities	**(84.25)**	10.12
Increase in trade and other receivables	**51.03**	(443.63)
Increase / (decrease) in inventories	**2.06**	(2.13)
Cash generated from operations	**1,017.94**	571.10
Income tax paid	**-**	-
Net cash flow from operating activities (A)	**1,017.94**	571.10
B. Cash flow from investing activities:		
Addition to tangible / intangible assets	**(391.42)**	(440.25)
Investment in subsidiaries	**(17.44)**	(197.65)
Proceeds from sale of PPE	**0.82**	3.52
Loans to subsidiaries (Net)	**(698.46)**	(196.62)
Short term fixed deposits placed with Banks	**(0.09)**	(0.09)
Proceeds from long term borrowings for assets under hire purchase	**-**	0.49
Repayment of long term borrowings for assests under hire purchase	**-**	(16.15)
Finance income	**94.63**	21.37
Net cash used in investing activities (B)	**(1,011.96)**	(825.38)
C. Cash flow from financing activities:		
Proceeds from issue of Share Capital on account of issue of shares under Qualified Institutional Placement & Employee Stock Option Plans	**47.11**	3,218.09
Proceeds from long term borrowings	**-**	50.00
Proceeds from short term borrowings	**1,430.85**	217.50
Repayment of long term borrowings	**-**	(2,470.00)
Repayment of short term borrowings	**(1,380.85)**	(757.50)
Finance costs paid	**(12.68)**	(35.83)
Net cash generated from financing activities (C)	**84.43**	222.26
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**90.41**	(32.02)
Effect of unrealised exchange (gain) / loss	**(88.15)**	23.83
Net cash generated / (used in) for the year	**2.26**	(8.19)
Cash and cash equivalents at the beginning of the year	**17.69**	25.88
Cash and cash equivalents as at end of the year	**19.95**	17.69

As per our report annexed
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Chief Financial Officer

Place : Chennai
Date : 30 May 2017

STATEMENT OF CHANGES IN OTHER EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Nos. in Mln.	Rs. Mln.
a. Equity Share Capital		
Equity shares of Rs. 10 each issued, subscribed and fully paid		
Balance as at 01 April 2015	24.40	244.39
Changes in Equity Share Capital during 2015-16 (refer note no.14)	5.59	55.87
Balance as at 31 March 2016	29.99	300.26
Changes in Equity Share Capital during 2016-17 (refer note no.14)	0.41	4.15
Balance as at 31 March 2017	**30.41**	**304.41**

b. Other Equity for the year ended 31 March 2017

Rs. Mln.

Particulars	Share application money pending allotment	Reserves & Surplus			Items of OCI	Total other equity
		Securities Premium	Employee stock options outstanding	Retained earnings	Currency translation reserve	
As at 01 April 2016	0.70	6,365.88	290.96	(781.31)	(1.28)	5,874.95
Profit for the period	-	-	-	506.78	-	506.78
Other comprehensive income (OCI)						
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	(2.08)	-	(2.08)
(b) Exchange difference on translation of foreign operations	-	-	-	-	19.02	19.02
Total comprehensive income	**0.70**	**6,365.88**	**290.96**	**(276.62)**	**17.75**	**6,398.67**
Subscription to stock option schemes	-	-	-	-	-	-
Issue of share capital	(0.70)	42.96	-	-	-	42.26
Transfer on exercise of stock options	-	88.67	(88.67)	-	-	-
Share based payments for options granted	-	-	105.90	-	-	105.90
As at 31 March 2017	**-**	**6,497.51**	**308.19**	**(276.62)**	**17.75**	**6,546.83**

Other Equity for the year ended 31 March 2016

Rs. Mln.

Particulars	Share application money pending allotment	Reserves & Surplus			Items of OCI	Total other equity
		Securities premium	Employee stock options outstanding	Retained earnings	Currency translation reserve	
As at 01 April 2015	0.07	3,162.47	153.07	(919.64)	-	2,395.97
Profit for the period	-	-	-	143.13	-	143.13
Other comprehensive income (OCI)						
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	(4.80)	-	(4.80)
(b) Exchange difference on translation of foreign operations	-	-	-	-	(1.28)	(1.28)
Total comprehensive income	**0.07**	**3,162.47**	**153.07**	**(781.31)**	**(1.28)**	**2,533.02**
Subscription to stock option schemes	0.70	-	-	-	-	0.70
Issue of share capital	(0.07)	3,161.80	-	-	-	3,161.73
Transfer on exercise of stock options	-	41.61	(41.61)	-	-	-
Share based payments for options granted	-	-	179.50	-	-	179.50
As at 31 March 2016	**0.70**	**6,365.88**	**290.96**	**(781.31)**	**(1.28)**	**5,874.95**

* In accordance with Ind AS, remeasurment gains / (losses) on defined benefit obligations recognised in OCI are not to be subsequently reclassified to profit or loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

NOTES TO SEPARATE (STANDALONE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Corporate information

Ramco Systems Limited (the “Company”) is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act,1956. Its shares are listed in BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at No. 47, P.S.K Nagar, Rajapalayam 626108 and corporate office and R&D center is located at 64, Sardar Patel Road, Taramani, Chennai 600113.

The Company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like Human Capital Management, Aviation Maintenance Repair & Overhaul, Banking Analytics and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or offered as a service hosted on cloud.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in its meeting held on 30 May 2017.

2. Basis of preparation of separate financial statements

2.1 The financial statements for the period up to 31 March 2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous Indian GAAP). Pursuant to the mandatory requirement for adoption of Indian Accounting Standards (Ind AS), as notified by the Ministry of Corporate Affairs (MCA), the Company has prepared its financial statements for the year ended 31 March 2017 in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. As mandated by the Ind AS, the comparative figures in the financial statements with respect to the previous year also have been restated. As a first time adopter of Ind AS, the comparative Balance Sheet prepared for the opening date (01 April 2015 being the date of transition), is prepared under Ind AS. Refer note no.32 for information on how the Company adopted Ind AS.

2.2 The financial statements have been prepared on the historical cost basis except certain financial instruments (refer note no.3.a and 3.l) and defined benefit plan assets, share based payments that are measured at fair values.

2.3 Foreign currency transactions

The functional currency of the Company is Indian Rupee. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The monetary items denominated in the foreign currency at the year-end are translated at the exchange rates prevailing on the date of the balance sheet and the loss or gain arising out of such transactions is adjusted in the Statement of Profit and Loss.

2.4 Translation of financial statements of foreign branches

Functional currency of foreign branches is the respective local currency of domicile. All income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. All assets and liabilities are translated at the rate prevailing on the Balance Sheet date. Net gain / loss on foreign currency translation is recognized in Other Comprehensive Income. As allowed by Ind AS 101, cumulative currency translation differences for all foreign operations have been reset to zero at the date of transition, viz., 01 April 2015.

2.5 An asset is treated as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2.6 A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

  All other liabilities are classified as non-current.

2.7 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.9 The financial statements are presented in Indian Rupees rounded to the nearest million with two decimals.

3. Significant accounting policies

a. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

b. Revenue recognition

Revenue is recognized in accordance with Ind AS 18: 'Revenue'. This requires exercise of judgment and the use of estimates in connection with the determination of the amount of revenue to be recognised in each accounting period.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

The specific recognition criteria described below must be met before revenue is recognized.

Revenues are derived from the following streams: (1) Software License (2) Software development / implementation services (3) Product Support Services (4) Application Maintenance Services (5) Software as a Service (SaaS) (6) Managed Services (7) Value Added Resale Hardware & Software and (8) Other income.

License fees

Software license revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognised on delivery of the software, including cases with extended credit period, when, in the opinion of the Company, there are no collectability concerns.

Software development / implementation fees

Software development / implementation contracts are either fixed price or time and material based. In the case of fixed price contracts, revenue is recognized in accordance with percentage of completion method. In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, forming part of the implementation services are recognised in accordance with percentage of completion method.

Product support service fees

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

Application maintenance service fees

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

Software as a Service (SaaS) fees

Subscription fees for offering the hosted software as a service are recognised as revenue ratably on straight line basis, over the term of the subscription arrangement.

Managed services fees

Fees for managed services, which include business processing services, are recognised as revenue as services are provided.

Value added resale hardware & software

Revenue from sale of traded hardware / software is recognized on transfer of significant risks and rewards of ownership to customers which generally coincides with dispatch of goods.

Multiple element arrangements

Software licenses are often sold in combination with implementation and product support services. The consideration in such multiple element contracts is allocated based either on the fair value of each element or on the residual method. Under the residual method, the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

In cases, where implementation services significantly alter the software’s capabilities, software license revenue is recognized on percentage of completion method, instead of considering software and implementation services as separate elements.

Revenues from implementation services in respect of hosting contracts are to be recognized as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship. However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognised in accordance with percentage of completion method.

Other income

Interest on bank deposits and rental income are recognized on accrual basis.

The imputed interest attributable to arrangements having extended credit period is eliminated from the revenue from operations and accounted as interest over the credit period.

c. Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates the provisions of the Income tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the “MAT Credit Entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.

Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in “Other Comprehensive Income” or directly in “Equity” as the case may be.

d. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

When assets are acquired on Hire Purchase these are capitalized at the gross value and interest thereon charged to statement of profit and loss.

Depreciation in the books of the Company is charged on a pro-rata basis on the Straight Line Method as prescribed under Schedule II of the Companies Act, 2013 over the useful life of the assets.

The useful lives used by the Company on various assets are tabled below:

Asset type	Useful life
Building	60
Laptop & desktops	3
Server & networks	6
Furniture	10
Office equipment	5
Electrical items	10
Vehicles	8

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets of the Company are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognized.

Software development costs

Research costs are expensed as incurred. Software development expenditures on product / platform are recognised as intangible assets when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of these assets begins from the year, following the year in which such development costs are incurred. It is amortized over the period of expected future benefit. Amortization expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified and grouped as “Product software” under intangible assets. Similarly, costs incurred in the development of technology platform framework, which would enable the Company to provide solutions -both standard and customized - in an efficient manner, have been classified and grouped as “Technology platform” under intangible assets.

Patents

Company is filing patent applications and costs incurred for filing the patent application like consultancy and filing fees are capitalized upon grant of Patents.

The useful life of the above assets is estimated as under:

Asset type	Useful life
Self-generated R&D (Product software & Technology platform)	10
Computer software	6
Patents	10

f. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalization by applying capitalization rate to the expenditure incurred on such cost. The capitalization rate determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

g. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 01 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h. Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

j. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are neither recognized nor disclosed.

k. Employee benefits expense

Short-term employee benefits

Short-term employee benefits viz., salaries, wages and other benefits are recognized as expenses at the undiscounted amount as per contractual terms in the statement of profit and loss for the year in which the related service is rendered.

Defined contribution plans

Superannuation

The senior officers of the Company have been given an option to participate in Defined Contribution Plan (“The Superannuation Plan”) maintained by the Life Insurance Corporation of India. For those who opt to participate, the company makes contributions not exceeding Rupees One Lakh per annum, based on specified percentage of basic salary of each covered employee. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contribution/payments.

National pension system

The employees of the Company have been given an option to participate in a defined contribution plan (”National Pension System”), maintained by the fund managers approved by the Pension Fund Regulatory and Development Authority. For those who opt to participate, the Company makes contributions equal to 10% of the covered employee’s basic salary. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contributions/payments.

Provident fund

In addition to the above benefits, all employees receive benefits from a Provident fund, which is defined contribution plan. Both the employee and employer each make monthly contributions to the plan equal to 12% of the covered employee’s basic salary. These contributions are made to the employees’ provident fund maintained by the Government of India. The company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plans

Gratuity

In accordance with the Indian Law, the Company provides for gratuity, a defined benefit plan (“The Gratuity Plan”), covering all employees. The employees are covered under the Company Gratuity Scheme of the Life Insurance Corporation of India. The liability for Gratuity is ascertained as at the end of the financial year, based on the actuarial valuation by an independent external actuary as at the Balance Sheet date using the “projected unit credit method”.

Remeasurement of net defined benefit asset / liability comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the consolidated statement of profit and loss.

Leave encashment

The Company has a policy of providing encashment of unavailed leave for its employees. The obligation for the leave encashment is recognised based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognized in the statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using “projected unit credit method”.

I. Financial instruments

1.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

1.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

Financial assets

1.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

1.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

1.6 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiaries are carried at cost (i.e) previous GAAP carrying amount as at the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of financial assets
Amortised cost	Trade receivables, loans and advances, deposits, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity instrument in companies other than subsidiaries as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

1.7 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

a. significant risk and rewards of the financial asset, or

b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

1.8 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

1.9 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. However the impairment testing methodology used in respect of unbilled revenue is same as that of trade receivables.

Financial liabilities

1.10 Financial liabilities comprises of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

1.11 The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Trade payables, Interest accrued, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

1.12 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.

1.13 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

m. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into cash.

n. Cash dividend

The Company recognizes a liability to make cash dividend, when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity including applicable taxes.

o. Cash flow statement

Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Share based payments

Stock options granted to the option grantees in the Company / subsidiaries are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the options are granted. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The ex-modification fair value is recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognised over the vesting period remaining after the modification date.

Graded vesting options

If the options vest in instalments (i.e. the options vest pro rata over the vesting period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

q. Earnings Per Share (EPS)

Net profit after tax is divided by the weighted average number of equity shares outstanding.

When an item of income or expense which is otherwise required to be recognized in the statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing Earnings Per Share.

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity shares.

r. Operating segments

The Company's business operation comprises of single operating segment viz., Software and related solutions. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

4. Significant estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

Property, plant and equipment and intangible assets

The residual values and estimated useful life of PPEs, Intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation / amortization / impairment.

Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred tax asset (including MAT credit entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of non-financial assets (PPE / Intangible assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Share based payments

The Company initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

5. **Property, plant and equipment** Rs. Mln.

Particulars	Building	Laptops and desktops	Servers and networks	Furniture	Office equip-ments	Electrical items	Vehicles	Total
Gross block								
As at 01 April 2015	**3.12**	**143.91**	**225.91**	**16.31**	**29.89**	**10.75**	**31.97**	**461.86**
Additions	-	23.76	14.28	5.31	13.84	2.97	5.08	65.24
Disposals	-	(0.61)	-	(0.59)	(1.08)	(0.37)	(6.04)	(8.69)
As at 31 March 2016	**3.12**	**167.06**	**240.19**	**21.03**	**42.65**	**13.35**	**31.01**	**518.41**
Additions	-	16.57	11.19	1.39	5.82	2.35	4.06	41.39
Disposals	-	(2.35)	-	(0.36)	(1.13)	(0.76)	(1.69)	(6.29)
Exchange difference	-	(0.03)	-	0.01	0.10	0.02	-	0.10
As at 31 March 2017	**3.12**	**181.25**	**251.39**	**22.07**	**47.44**	**14.96**	**33.38**	**553.61**
Depreciation								
As at 01 April 2015	**1.69**	**111.56**	**194.48**	**4.12**	**11.93**	**4.63**	**8.12**	**336.53**
For the year	0.03	23.31	12.99	1.79	6.61	1.20	4.20	50.13
Disposals	-	(0.52)	-	(0.23)	(0.96)	(0.13)	(1.49)	(3.33)
As at 31 March 2016	**1.72**	**134.35**	**207.47**	**5.68**	**17.58**	**5.70**	**10.83**	**383.33**
For the year	0.05	19.70	11.31	1.96	7.68	1.31	4.19	46.20
Disposals	-	(2.35)	-	(0.16)	(1.01)	(0.31)	(0.47)	(4.30)
Exchange difference	-	(0.01)	-	-	0.01	-	-	-
At 31 March 2017	**1.77**	**151.69**	**218.78**	**7.48**	**24.26**	**6.70**	**14.55**	**425.23**
Net block								
As at 01 April 2015	**1.43**	**32.35**	**31.43**	**12.19**	**17.96**	**6.12**	**23.85**	**125.33**
As at 31 March 2016	**1.40**	**32.71**	**32.72**	**15.35**	**25.07**	**7.65**	**20.18**	**135.08**
As at 31 March 2017	**1.35**	**29.56**	**32.61**	**14.59**	**23.18**	**8.26**	**18.83**	**128.38**

6. **Intangible assets** Rs. Mln.

Particulars	Technology platform	Product software	Patents	Computer software	Total
Gross block					
As at 01 April 2015	1,196.86	3,160.18	12.21	393.26	**4,762.51**
Additions	118.75	228.06	1.47	26.70	**374.98**
Deletions	-	-	-	-	**-**
As at 31 March 2016	**1,315.61**	**3,388.24**	**13.68**	**419.96**	**5,137.49**
Additions	90.89	239.47	0.55	19.13	**350.04**
Deletions	-	-	-	-	**-**
As at 31 March 2017	**1,406.50**	**3,627.71**	**14.23**	**439.09**	**5,487.53**
Amortisation					
As at 01 April 2015	563.55	1,281.59	5.17	311.26	**2,161.57**
For the year	98.92	278.85	1.17	25.53	**404.47**
Impairment loss	-	-	-	-	**-**
As at 31 March 2016	**662.47**	**1,560.44**	**6.34**	**336.79**	**2,566.04**
For the year	103.93	285.60	1.37	27.16	**418.06**
Impairment loss					**-**
As at 31 March 2017	**766.40**	**1,846.04**	**7.71**	**363.95**	**2,984.10**
Net block					
As at 01 April 2015	**633.31**	**1,878.59**	**7.04**	**82.00**	**2,600.94**
As at 31 March 2016	**653.14**	**1,827.80**	**7.34**	**83.17**	**2,571.45**
As at 31 March 2017	**640.10**	**1,781.67**	**6.52**	**75.14**	**2,503.43**

a) The Company has opted to use previous GAAP carrying amount as Deemed cost as at the date of transition to Ind AS (i.e as on 01 April 2015). However, as per the FAQ dated 30 June 2016 issued by the Accounting Standard Board of ICAI, the above information regarding gross block of assets, accumulated depreciation / amortization and provision for impairment under Previous GAAP is provided as an additional disclosure and the same is not considered for subsequent recognition and/or measurement purposes.

b) Financials of research and development activities (R&D), based on separate books of accounts maintained are enclosed in page nos. 123 to 126.

c) For the details of security to borrowings, refer note nos.16 and 19.

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
		Rs. Mln.	Rs. Mln.	Rs. Mln.
7.	**Investment in subsidiaries**			
	Equity investments in subsidiaries measured at Deemed cost, long term, trade, unquoted			
	192,729,550 Shares in Ramco Systems Corporation, USA of paid-up value of USD 0.0145 each (as at 31 March 2016 and 01 April 2015 192,729,550 shares @ USD 0.0145 each)	**743.41**	743.41	743.41
	1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (as at 31 March 2016 and 01 April 2015 1,400,000 Shares @ CHF 1 each)	**441.70**	441.70	441.70
	11,175,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at 31 March 2016 3,725,000 and as at 01 April 2015 725,000 shares @SGD1 each) - refer note no.35(c)	**510.13**	163.48	18.62
	1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (as at 31 March 2016 and 01 April 2015 1,280,000 Shares @ RM 1 each)	**18.22**	18.22	18.22
	100 Shares in RSL Enterprise Solutions (Pty.) Ltd., South Africa of face value of ZAR 1 each (as at 31 March 2016 and 01 April 2015 100 Shares @ ZAR 1 each)	**-**	-	-
	50 Shares in Ramco Systems Dubai, FZLLC, of AED 1000 each (as at 31 March 2016 and 01 April 2015 50 Shares @ AED 1,000 each)	**0.62**	0.62	0.62
	1,000,000 Shares in Ramco Systems Australia Pty Ltd., Australia, of AUD 1 each (as at 31 March 2016 1,000,000 and as at 01 April 2015 250,000 Shares @ AUD 1 each)	**52.45**	52.45	14.66
	100,000 Shares in RSL Software Co. Ltd., Sudan, of SDG 1 each (as at 31 March 2016 and as at 01 April 2015 100,000 Shares @ SDG 1 each)	**2.08**	2.08	2.08
	11,750,000 Shares in Ramco System Inc., Philippines of face value of PHP 1 each (as at 31 March 2016 and 01 April 2015 Nil)	**17.44**	-	-
	Aggregate value of unquoted investments	**1,786.05**	1,421.96	1,239.31
	Aggregate amount of impairment in value of investments	**-**	-	-

The Company has opted to use previous GAAP carrying amount as ‘Deemed cost’, for the investments in subsidiaries.

8.	**Financial assets (non-current)**			
8.1	**Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)**			
	2,335 Shares in Smart Megh Solutions Pvt. Ltd, India of face value of Rs.10 each (as at 31 March 2016 2,335 Shares @ Rs.10 each, as at 01 April 2015 Nil)	**15.00**	15.00	-
	Aggregate value of unquoted investment	**15.00**	15.00	-
	Aggregate amount of impairment in value of investment	**-**	-	-

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
		Rs. Mln.	Rs. Mln.	Rs. Mln.
8.2	**Trade receivables**			
	Unsecured, considered good			
	Trade receivables	**3.45**	-	4.97
	Less: Impairment loss	**(0.10)**	-	-
	Unsecured, considered doubtful			
	Trade receivables	**118.31**	1.89	0.33
	Less: Impairment loss	**(118.31)**	(1.89)	(0.33)
		3.35	-	4.97
8.3	**Other financial assets**			
	Unsecured, considered good			
	Unbilled revenue	**30.76**	8.23	-
	Less: Impairment loss	**(0.91)**	-	-
	Security deposit	**12.66**	6.95	5.61
	Employee advances	**0.58**	0.86	-
	Unsecured, considered doubtful			
	Unbilled revenue	**70.18**	-	-
	Less: Impairment loss	**(70.18)**	-	-
		43.09	16.04	5.61
	Total non-current financial assets	**61.44**	31.04	10.58

9. Taxes

(a) Deferred tax (asset) / liability

Rs. Mln.

Nature of (asset) / liability	**Balance sheet as at**			**Statement of profit and loss for the year ended**	
	31.03.2017	31.03.2016	01.04.2015	**31.03.2017**	31.03.2016
Tax impact on difference between book depreciation / amortisation and depreciation under the Income Tax Act, 1961	**855.70**	880.41	894.35	**(24.71)**	(13.94)
Tax impact on unutilised carry forward losses	**(1,101.09)**	(1,133.55)	(1,179.53)	**32.46**	45.98
Tax effect of provision for gratuity	**(1.16)**	1.23	4.79	**(2.39)**	(3.56)
Tax effect of provision for compensated absences	**(19.76)**	(18.77)	0.22	**(0.99)**	(18.99)
Tax effect of provision for bad and doubtful debts	**(66.91)**	-	-	**(66.91)**	-
Unused tax credits of current and previous year(s) (ie., MAT credit entitlement)	**(133.51)**	-	-	**(133.51)**	-
Adjustment for earlier years (Effect of non-consideration of deferred tax asset in the books)	**-**	270.68	280.17	**(270.68)**	(9.49)
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	**(1.10)**	-	-	**(1.10)**	-
Deferred tax (asset) / liability (Net)	**(467.83)**	-	-		
Deferred tax (income) / expense (Net)				**(467.83)**	**-**

Rs. Mln.

(b) Reconciliation of deferred tax (asset) / liability

Particulars	Balance sheet as at 31.03.2017	Balance sheet as at 31.03,2016
Opening balance as at 01 April	**-**	-
Deferred Tax (income) / expense during the period recognised in Statement of Profit and Loss	**(466.73)**	-
Deferred Tax credit during the year recognised in OCI	**(1.10)**	-
Closing balance as at 31 March	**(467.83)**	-

(c) Components of tax expenses

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
(i) Statement of profit and loss		
Current tax		
Current Income Tax charge (including MAT)	**52.12**	65.14
Deferred tax		
Relating to the origination and reversal of temporary differences	**(62.54)**	9.49
Adjustment (credit taken) for earlier years	**(270.68)**	(9.49)
MAT credit recognition of current year	**(52.12)**	-
MAT credit recognition of previous year(s)	**(81.39)**	-
Total tax (income) / expenses reported in statement of profit and loss	**(414.61)**	65.14
(ii) Other comprehensive income (OCI)		
Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	**(1.10)**	-
Total tax (income) / expense (Net)	**(1.10)**	-
(iii) Total tax (income) / expense reported in the total comprehensive income	**(415.71)**	65.14

(d) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	31.03.2017	31.03.2016
Accounting profit before tax	**92.17**	208.27
Less: Adjustment from carry forward losses	**92.17**	208.27
Corporate Tax Rate %	**34.608%**	34.608%
Computed tax expense	**-**	-
Increase / (reduction) in taxes on account of:		
MAT on above mentioned accounting profit before tax	**19.67**	44.45
Tax adjustments of earlier years	**-**	20.69
Non-dedcutible expenses	**41.26**	-
Additional allowances / deductions for tax purposes	**(8.81)**	-
	52.12	65.14
Deferred tax credit recognition during the year	**(333.22)**	-
MAT credit recognition of current year	**(52.12)**	-
MAT credit recognition of previous year(s)	**(81.39)**	-
Tax (income) / expense reported in the statement of profit and loss	**(414.61)**	65.14
Tax (income) / expense reported in the other comprehensive income	**(1.10)**	-

Note:

1. During the year, the Company had, based on the estimates, determined that future taxable profit will be available against which the deductible temporary differences and unused tax losses / unused tax credits can be utilised and hence has recognised net deferred tax asset as above including the credit pertaining to earlier years.
2. During the year, the Company had, based on the estimates, determined that future economic benefits in the form of adjustment against the discharge of the normal tax liability within the specified period in which the MAT is allowed to be utilised, will be available and hence has recognised MAT credit entitlement as above including the credit pertaining to earlier years.

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
10.	**Other non-current assets**			
	Prepaid expenses, unsecured considered good	**1.12**	1.69	2.26
11.	**Inventories**			
	Stock-in-trade (represents hardware and software materials held for resale)	**0.16**	2.22	0.09
12.	**Financial assets (current)**			
12.1	**Loans and advances**			
	Unsecured, considered good			
	Loans and advances-subsidiaries (refer note no.35)	**673.22**	321.41	124.78

Loans and advances are non-derivative financial assets and are carried at amortized cost, which generate a fixed or variable interest income for the Company

12.2	**Trade receivables**			
	Unsecured, considered good			
	Trade receivables-subsidiaries	**911.88**	824.45	496.28
	Trade receivables-other related parties	**1.73**	17.68	7.83
	Trade receivables-others	**261.39**	628.91	718.43
	Less: Impairment loss	**(2.62)**	-	-
		1,172.38	1,471.04	1,222.54

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days, except the contracts which are entered with deferred credit terms. For terms and conditions relating to related parties, refer note no. 35.

12.3	**Cash and cash equivalents**			
	Cash on hand	**0.23**	0.20	0.08
	Balances with Banks in Current Accounts	**19.72**	17.49	25.80
		19.95	17.69	25.88
12.4	**Other financial assets**			
	Unsecured, considered good			
	Unbilled revenue	**277.73**	505.29	489.74
	Less: Impairment loss	**(2.29)**	-	-
	Security deposit	**7.91**	10.24	10.85
	Employee advances	**50.88**	51.42	61.25
	Bank deposits held as margin money	**2.72**	2.63	2.54
	Balance with Banks in share issue accounts	**0.07**	0.77	0.55
		337.02	570.35	564.93
	Total current financial assets	**2,202.57**	2,380.49	1,938.13
13.	**Other current assets**			
	Prepaid expenses	**14.37**	19.39	24.32
	Advance to suppliers and service providers	**5.32**	8.15	39.12
	Statutory advances	**50.27**	15.11	29.87
		69.96	42.65	93.31

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
14.	**Equity share capital**			
	Authorised share capital			
	50,000,000 (as at 31 March 2016 and as at 01 April 2015 50,000,000) Equity Shares of Rs. 10 each	**500.00**	500.00	500.00
	Issued and subscribed capital			
	30,754,517 (as at 31 March 2016 30,339,914 and as at 01 April 2015 24,752,834) Equity Shares of Rs.10 each	**307.55**	303.40	247.53
	Paid-up capital			
	30,405,339 (as at 31 March 2016 29,990,736 and as at 01 April 2015 24,403,656) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous years Rs.353,890) for 349,178 shares)	**304.41**	300.26	244.39
		304.41	300.26	244.39

14.1	**The reconciliation of share capital for the year:**	**2016-17**	2015-16	2014-15
	At the beginning of the year	**300.26**	244.39	159.52
	Addition during the year	**4.15**	55.87	84.87
	At the end of the year	**304.41**	300.26	244.39
	Movement in number of shares during:	**2016-17**	2015-16	2014-15
	At the beginning of the year	**29,990,736**	24,403,656	15,916,585
	Addition during the year			
	i) Employee stock option schemes	**414,603**	468,980	528,778
	ii) Qualified instituitional placement	**-**	5,118,100	-
	iii) Rights issue 2013	**-**	-	7,958,293
	At the end of the year	**30,405,339**	29,990,736	24,403,656

14.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of Rs.10 each.

The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 Shareholders holding more than 5 percent in the shares of the Company

Name of the Share Holder	As at 31.03.2017 No. of Shares	As at 31.03.2017 % of holding	As at 31.03.2016 No. of Shares	As at 31.03.2016 % of holding	As at 01.04.2015 No. of Shares	As at 01.04.2015 % of holding
Shri P R Venketrama Raja	**3,217,441**	**10.58**	3,217,441	10.73	3,217,441	13.19
Ramco Industries Limited	**5,467,376**	**17.98**	5,467,376	18.23	5,467,376	22.41
The Ramco Cements Limited	**5,417,810**	**17.82**	5,417,810	18.06	5,417,810	22.21
HDFC Trustee Company Limited (HDFC Equity Fund & HDFC Prudence Fund)	**2,247,400**	**7.39**	2,247,400	7.49	-	-

14.4	Number of non-resident shareholders	**242**	183	106
	Number of shares held by the non-resident shareholders	**752,992**	670,986	581,312
	Dividend remitted in foreign currency	**Nil**	Nil	Nil

14.5 Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts

The Company has formulated various employee Stock Option Schemes. The summary is provided below:

Name of Stock Option Scheme	Exercise Price (Rs.)	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Outstanding Nos.	**Value Rs. Mln.**	Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOP 2000	169	**1,363**	**0.23**	1,363	0.23	1,363	0.23
ESOS 2003	254	**-**	**-**	525	0.13	525	0.13
	169	**944**	**0.16**	944	0.16	1,994	0.34
ESOS 2008	51	**49,954**	**2.55**	59,606	3.04	132,580	6.76
	136	**-**	**-**	2,626	0.36	31,833	4.33
	119	**11,807**	**1.41**	15,740	1.87	36,721	4.37
	83	**11,807**	**0.98**	26,754	2.22	78,424	6.51
	230	**26,228**	**6.03**	26,228	6.03	68,195	15.68
	194	**17,835**	**3.46**	17,835	3.46	20,983	4.07
ESOS 2009 - Plan A	90	**32,804**	**2.95**	42,072	3.79	103,991	9.36
	93	**-**	**-**	20,983	1.95	20,983	1.95
	58	**-**	**-**	20,983	1.22	20,983	1.22
	110	**9,440**	**1.04**	9,440	1.04	9,440	1.04
	10	**-**	**-**	25,000	0.25	25,000	0.25
	356	**105,623**	**37.60**	112,501	40.05	130,000	46.28
ESOS 2009 - Plan B	90	**69,616**	**6.27**	83,403	7.51	176,299	15.87
	10	**64,702**	**0.65**	154,593	1.55	200,000	2.00
	110	**-**	**-**	18,885	2.08	18,885	2.08
	356	**88,591**	**31.54**	101,250	36.05	113,750	40.50
ESOS 2013	356	**83,316**	**29.66**	97,449	34.69	115,000	40.94
	155	**326,386**	**50.59**	473,547	73.40	588,750	91.26
	10	**19,827**	**0.20**	25,375	0.25	16,750	0.17
	482	**34,625**	**16.69**	36,500	17.59	40,000	19.28
ESOS 2013	431	**-**	**-**	11,000	4.74	15,000	6.47
	250	**15,438**	**3.86**	17,500	4.38	22,500	5.63
	426	**2,500**	**1.07**	2,500	1.07	7,500	3.20
	462	**10,438**	**4.82**	17,500	8.09	17,500	8.09
	348	**3,500**	**1.22**	3,500	1.22	7,000	2.44
	696	**3,500**	**2.44**	3,500	2.44	5,250	3.65
	340	**18,000**	**6.12**	25,000	8.50	25,000	8.50
	679	**22,500**	**15.28**	27,500	18.67	27,500	18.67
	307	**22,250**	**6.83**	23,750	7.29	-	-
	613	**16,875**	**10.34**	16,875	10.34	-	-
ESOS 2014	1,066	**15,750**	**16.79**	15,750	16.79	-	-
	533	**12,500**	**6.66**	12,500	6.66	-	-
	399	**10,000**	**3.99**	10,000	3.99	-	-
	797	**5,000**	**3.99**	5,000	3.99	-	-
	311	**5,000**	**1.56**	12,500	3.89	-	-
	622	**2,500**	**1.56**	6,250	3.89	-	-
	345	**12,500**	**4.31**	13,750	4.74	-	-
	690	**6,250**	**4.31**	6,875	4.74	-	-
	155	**18,000**	**2.79**	18,000	2.79	-	-
	10	**33,562**	**0.34**	26,875	0.27	-	-
	222	**5,000**	**1.11**	-	-	-	-
	257	**4,000**	**1.03**	-	-	-	-
	332	**2,500**	**0.83**	-	-	-	-
	351	**7,500**	**2.63**	-	-	-	-
	377	**12,000**	**4.52**	-	-	-	-
	443	**2,500**	**1.11**	-	-	-	-
	513	**2,000**	**1.03**	-	-	-	-
	663	**1,250**	**0.83**	-	-	-	-
	701	**3,750**	**2.63**	-	-	-	-
	753	**6,000**	**4.52**	-	-	-	-
Total		**1,237,431**	**310.49**	1,649,727	357.39	2,079,699	371.24

Further details of the above Schemes can be obtained from ANNEXURE E to the Director's Report

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
15.	**Other equity**			
	Securities Premium	**6,497.51**	6,365.88	3,162.47
	Currency translation reserve	**17.75**	(1.28)	-
	Employee stock options outstanding	**308.19**	290.96	153.07
	Retained earnings	**(276.62)**	(781.31)	(919.64)
	Share application money pending allotment (refer note no.15.1)	**-**	0.70	0.07
		6,546.83	5,874.95	2,395.97

Refer statement of changes in equity for movement.

Nature and purpose of reserves

Securities Premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued.

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operation.

Employee stock options outstanding

Represents employee stock compensation outstanding for options granted.

Retained earnings

Represents that portion of the net income / (loss) of the Company.

15.1	**Share application money pending allotment**			
a)	Terms and conditions	**Not applicable**	Refer note below	Refer note below
b)	Number of shares proposed to be issued (no.)	**Nil**	10,178	1,215
c)	Amount of premium (Rs. Mln.)	**Nil**	0.60	0.06
d)	The period before which shares are to be allotted	**Not applicable**	Refer note below	Refer note below
e)	Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	**Not applicable**	Yes	Yes
f)	Interest accrued on amount due for refund	**Not applicable**	Not applicable	Not applicable
g)	The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending	**Nil**	Nil	Nil

Note: The share application money pending allotment as at 31 March 2016 and as at 01 April 2015, represents receipt pursuant to the exercise of options under the Employee Stock Option Schemes of the Company. Under the said scheme, one share of Rs.10 each, at a premium of Rs.41 for 5,561 shares & Rs.80 for 4,617 shares as at 31 March 2016 and one share of Rs.10 each, at a premium of Rs.41 for 914 shares & Rs.73 for 301 shares as at 01 April 2015 needs to be issued for each option exercised. The shares need to be allotted within 6 weeks of receipt of exercise application along with remittance of exercise money. No such application money has been pending beyond the stipulated time for allotment.

16. Financial liabilities (non-current)

16.1 Borrowings

	Effective Interest Rate % p.a.	Maturity date	As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
Term loans from Banks, unsecured					
ICICI Bank Ltd.	11.75	05 Aug 2016	-	-	830.00
ING Vysya Bank Ltd.	12	28 Mar 2017	-	-	820.00
Kotak Mahindra Bank Ltd.	11.3	02 Sep 2017	-	-	225.00
Kotak Mahindra Bank Ltd.	10.6	17 Mar 2018			200.00
Term loans from other parties, unsecured					
Tata Capital Financial Services Ltd.	11	31 Mar 2018	-	-	100.00
			-	-	2,175.00

As at 01 April 2015 - Security details

All the above borrowings are unsecured and supported by corporate gurantees from The Ramco Cements Limited.

16.2 Other financial liabilities

Long term maturities of hire purchase loans, secured					
Hire purchase loans from non Banks	10.25-11.5	2015-2019			9.16

As at 01 April 2015 - Security details

The hire purchase loans are secured by hypothecation of assets (vehicles) procured under the hire purchase scheme. These loans are repayable in 48/60 equal monthly instalments from the date of disbursement.

Total non-current financial liabilities	-	-	2,184.16

17. Provisions (non-current)

Provision for gratuity (refer note no.26.1)	**4.37**	4.70	1.15
Provision for leave encashment and other retirals	**55.28**	53.47	52.57
	59.65	58.17	53.72

17.1 The Company provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognised in the statement of profit and loss account and the liabilities are recognised at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

The movement in the present value of the obligation is given below:

Opening	**42.29**	41.64	41.90
Current service cost	**5.61**	5.08	4.93
Interest cost	**3.18**	3.06	3.49
Actuarial (gains)/losses	**(2.36)**	(2.81)	(2.57)
Benefits paid	**(3.11)**	(4.68)	(6.11)
Closing	**45.61**	42.29	41.64

Costs considered in the statement of profit and loss is given below:	**Year ended 31.03.2017 Rs. Mln.**	Year ended 31.03.2016 Rs. Mln.
Current service cost	**5.61**	5.08
Interest on obligation	**3.17**	3.06
Net actuarial (gains)/losses	**(2.36)**	(2.81)
Net cost recognised	**6.42**	5.33

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
18.	**Other non-current liabilities**			
	Unearned revenue	**13.94**	-	-

19. Financial liabilities (current)

		Effective Interest Rate % p.a.	Maturity date	As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
19.1	**Borrowings**					
	Loans Repayable on Demand from Banks, secured					
	Axis Bank Ltd. - Cash credit	9.5	On Demand	**50.00**	-	-
	IDBI Bank Ltd. - Cash credit	12.5	On Demand	**-**	-	10.00
	Loans from Bank, unsecured					
	Deutsche Bank AG - Rupee packing credit	9.75	21 Sep 2015	**-**	-	250.00
	Loans from other parties, unsecured					
	Tata Capital Financial Services Ltd.	11.3	28 Aug 2015	**-**	-	100.00
	Aditya Birla Finance Ltd.	11.9	18 Apr 2015	**-**	-	180.00
				50.00	-	540.00

As at 31 March 2017 - Security details

Axis Bank Ltd. - Cash credit - This loan is secured by pari passu first charge on the current assets, both present and future and unemcumbered fixed assets (Property, plant and equipment excluding building) of the Company.

As at 01 April 2015 - Security details

IDBI Bank Ltd. - Cash credit - This loan is secured by pari passu first charge on the Company's receivables (Trade receivables), both present and future and is supported by corporare guarantees from Ramco Industries Limited.

Loans from Deutsche Bank AG, Tata Capital Financial Services Ltd. and Aditya Birla Finance Ltd., are unsecured and supported by corporare guarantees from The Ramco Cements Limited.

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
19.2	**Trade payables**			
	Trade payables - subsidiaries (refer note no.35)	**16.35**	17.48	15.29
	Trade payables - others	**184.42**	221.93	181.11
		200.77	239.41	196.40

Trade payables are non-interest bearing and are normally settled on 30 to 60 days

There are no Micro and Small Enterprises, to whom the Company owes dues as at 31 March 2017, 31 March 2016 and 01 April 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
19.3	**Other financial liabilities**			
	Interest accrued	**-**	-	0.14
	Capital creditors	**8.78**	11.06	5.41
	Current maturity of long term loans (refer note no.19.3.1)	**-**	-	251.51
	Rental advances	**0.22**	0.12	0.13
	Employee welfare payables	**10.03**	3.80	4.20
		19.03	14.98	261.39
	Total current financial liabilities	**269.80**	254.39	997.79

19.3.1 Current maturity of long term loans	Effective Interest Rate % p.a.	Maturity date	**As at 31.03.2017 Rs. Mln.**	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
Loans from Banks, unsecured					
Kotak Mahindra Bank Ltd.	11.3	02 Mar 2016	-	-	75.00
ICICI Bank Ltd.	11.75	26 Mar 2016	-	-	170.00
Hire purchase loans, secured					
Hire purchase loans from non Banks	10.25-11.5	2015-2019	-	-	6.51
			-	-	251.51

As at 01 April 2015 - Security details

All the loans from Banks are unsecured and supported by corporate guarantees from The Ramco Cements Limited.

The hire purchase loans are secured by hypothecation of assets (vehicles) procured under the hire purchase scheme. These loans are repayable in 48/60 equal monthly instalments from the date of disbursement.

20.	**Provisions (current)**			
	Provision for gratuity (refer note no. 26.1)	**3.35**	-	-
	Provision for leave encashment and other retirals (refer note no. 17.1)	**3.48**	3.14	2.30
		6.83	3.14	2.30
21.	**Other current liabilities**			
	Unearned revenue	**103.94**	172.50	165.59
	Statutory dues payable	**28.05**	18.65	26.31
	Expenses payable	**54.14**	94.10	84.17
	Advance from customers	**6.92**	10.05	14.33
		193.05	295.30	290.40

Advance from customers are received in the normal course of business and adjusted against subsequent supplies / services.

		Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
22.	**Revenue from operations**		
	Software revenue (License & Services)	**2,185.21**	1,914.71
	Royalty	**581.45**	696.46
	Value added resale software and hardware materials	**12.75**	9.82
		2,779.41	2,620.99
22.1	**Earnings in foreign exchange**		
	Export of goods and services on FOB basis	**752.00**	793.49
	Royalty	**581.45**	696.47
	Interest	**70.93**	17.83
		1,404.38	1,507.79

		Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
23.	**Finance income**		
	Interest income - loan to subsidiaries (refer note no.35)	**70.91**	17.83
	Interest income - others	**23.72**	3.54
		94.63	21.37
24.	**Other income**		
	Profit on sale of property, plant and equipments	**0.01**	0.03
	Other income	**3.07**	7.39
		3.08	7.42
25.	**Changes in inventories of finished goods, stock-in-process and stock-in-trade**		
	Opening Stock	**2.22**	0.09
	Closing Stock	**0.16**	2.22
		2.06	(2.13)

25.1 Value of consumption of imported and indigenous raw materials and spare parts

Resale Materials	Year ended 31.03.2017		Year ended 31.03.2016	
	Rs. Mln.	%	Rs. Mln.	%
Imported	**3.19**	**34.49**	5.36	25.53
Indigenous	**6.06**	**65.51**	15.65	74.47
	9.25	**100.00**	21.01	100.00

		Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
25.2	**CIF value of imports**		
	Resale materials	**3.19**	5.36
	Capital goods	**1.01**	-
	Outflow for patent applications	**1.58**	0.16
		5.78	5.52
26.	**Employee benefits expense**		
	Salaries, wages and bonus	**837.52**	846.07
	Share based payment to employees	**105.90**	179.50
	Provident fund and other contributions	**52.90**	50.55
	Gratuity and other retrials (refer note no.26.1)	**32.03**	33.90
	Staff welfare	**31.36**	28.58
		1,059.71	1,138.60

	Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
26.1 Gratuity - defined benefit plans		
Cost of defined benefit plan is as follows:		
Current service cost	**16.59**	14.65
Interest on obligation	**10.71**	9.17
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	**(11.46)**	(10.95)
Net cost recognised in the income statement	**15.84**	12.87
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	**(0.60)**	(0.69)
Actuarial (gains)/losses recognized in the year	**3.78**	5.49
Net gain recognised in the other comprehensive income	**3.18**	4.80
Movements in the present value of the defined benefit obligation in the current and previous year were as follows:		
Opening defined benefit obligation	**140.30**	124.17
Current service cost	**16.59**	14.65
Interest cost	**10.71**	9.17
Actuarial (gains)/losses	**3.78**	5.50
Benefits paid	**(5.94)**	(13.19)
Closing defined benefit obligation	**165.44**	140.30
Movements in the present value of the plan assets in the current and previous year were as follows:		
Opening fair value of plan assets	**143.86**	141.56
Expected return on plan assets	**11.46**	10.96
Actuarial (gains)/losses	**0.60**	0.69
Contributions from the employer	**12.11**	3.84
Benefits paid	**(5.94)**	(13.19)
Closing fair value of plan assets	**162.09**	143.86

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	**As at 31.03.2017 Rs. Mln.**	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
Present value of funded defined benefit obligation	**165.44**	140.30	124.17
Fair value of plan assets	**162.09**	143.86	141.56
Present value of funded defined benefit obligations / (asset)	**3.35**	(3.56)	(17.39)
Investment details:			
Funds with LIC	**162.09**	143.86	141.56
The principal assumptions used in determining gratuity for the Company's plans are shown below:			
Discount rate	**7.20%**	7.80%	7.80%
Future salary increase	**9%**	9%	9%

A quantitative sensitivity analysis for significant assumptions are below:

	For the year ended		For the year ended	
	31.03.2017	31.03.2016	**31.03.2017**	31.03.2016
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	**0.5% Increase**	0.5% Decrease	**0.5% Increase**	0.5% Decrease
Increase / (decrease) on defined benefit obligation in Rs. Mln.	**(8.26)**	8.90	**8.92**	(8.36)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
The following payments are expected benefit payouts to the defined benefit plan in future years:		
Within the next 12 months (next annual reporting period)	**6.67**	5.65
1 - 2 years	**10.99**	9.02
2 - 3 years	**10.72**	8.78
3 - 4 years	**8.94**	10.31
4 - 5 years	**10.93**	8.07
Beyond 5 years	**65.42**	54.59
Total expected payments	**113.67**	96.42

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.7 years (31 March 2016: 11.9 years).

27.	**Finance Costs**		
	Interest on loans	**9.92**	34.92
	Other finance cost	**2.76**	0.77
		12.68	35.69
28.	**Depreciation and amortization expense**		
	Depreciation of tangible assets	**46.20**	50.13
	Amortization of intangible assets	**418.06**	404.47
		464.26	454.60
29.	**Other Expenses**		
	Advertisement and sales promotion	**63.29**	75.09
	Bank charges	**4.57**	1.23
	Bad and doubtful debts & advances	**203.78**	128.24
	Consultancy charges	**20.78**	30.20
	Corporate social responsibility expenditure	**0.90**	-
	Foreign exchange fluctuation, net	**103.86**	(50.06)
	Insurance	**5.30**	3.36
	Loss on sale of property, plant and equipment	**1.19**	1.89
	Office maintenance	**22.90**	16.48

		Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
29.	**Other Expenses** *(Continued ...)*		
	Outsourcing costs	**176.64**	132.59
	Provision for doubtful debts	**193.35**	1.55
	Power & fuel	**28.59**	12.86
	Printing & stationery	**2.53**	2.65
	Postage, telephone and communication	**50.72**	43.58
	Rent	**193.03**	172.52
	Repairs- building	**20.96**	16.73
	Repairs- plant and machinery	**30.94**	29.44
	Repairs- others	**15.35**	12.94
	Rates and taxes	**29.63**	9.00
	Sales commission and other selling expenses	**10.50**	3.66
	Software subscription and maintenance	**1.60**	2.83
	Travelling and conveyance	**47.60**	132.39
	Unfructified patent expenses	**0.38**	0.08
	Miscellaneous expenses	**10.66**	12.36
		1,239.05	791.61
30.	**Expenditure in foreign currency on account of**		
	Professional / consultancy charges	**2.80**	5.03
	Travelling	**113.15**	90.41
	Others	**132.80**	106.47
		248.75	201.91
31.	**Fees paid to Statutory Auditors (Excluding service tax)**		
	Statutory Audit	**1.00**	1.00
	Tax Audit	**0.16**	0.16
	Independent Auditor's report for consolidation	**0.20**	0.20
	Other Certification	**0.54**	0.79
	Reimbursement of expenses	**0.09**	0.08
		1.99	2.23

32. First time adoption of Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS.

The accounting policies set out in these financial statements have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 01 April 2015 (The Company’s date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The Balance Sheet as on the date of transition has been prepared in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. All applicable Ind AS were applied consistently and retrospectively in preparation of the first Ind AS Financial Statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under Ind AS 101. An explanation / reconcilation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance is set out in note no. 32.1.

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS mandatory exceptions

1.1 Estimates

The estimates at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Fair valuation of derivative instruments

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01 April 2015, the date of transition to Ind AS and as of 31 March 2016.

1.2 De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

1.3 Hedge accounting

The Company has measured derivatives at fair value eliminating all gains and losses arising on derivatives and does not have any hedging relationship as on the transition date.

1.4 Classification and measurement of financial assets

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and classified accordingly.

1.5 Impairment of financial assets

The Company has applied the impairment requirement under Ind AS 109 retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.

2. Ind AS optional exemptions

2.1 Share based payments

The Company has elected to apply Ind AS 102 share based payment to equity instruments in respect of the unvested options as on the transition date.

2.2 Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition.

2.3 Investment in subsidiaries

The Company has opted to measure its investments in subsidiaries as per the previous GAAP carrying amount as at the date of transition.

32.1 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

1. Equity as at 01 April 2015 and 31 March 2016
2. Net profit for the year ended 31 March 2016

32.1.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

Rs. Mln.

Particulars	Sub-note ref.	As at 01.04.2015 (Date of transition to Ind-AS)			As at 31.03.2016		
		Indian GAAP	Adjust-ments	Ind AS	Indian GAAP	Adjust-ments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		125.33	-	125.33	135.08	-	135.08
Intangible assets		2,600.94	-	2,600.94	2,571.45	-	2,571.45
Investment in subsidiaries		1,239.31	-	1,239.31	1,421.96	-	1,421.96
Financial assets							
Investments		-	-	-	15.00	-	15.00
Trade receivables		4.97	-	4.97	-	-	-
Other financial assets	1.a.	5.61	-	5.61	20.69	(4.65)	16.04
Tax assets (net)		162.54	-	162.54	199.63	-	199.63
Other non-current assets		2.26	-	2.26	1.69	-	1.69
		4,140.96	**-**	**4,140.96**	**4,365.50**	**(4.65)**	**4,360.85**
Current assets							
Inventories		0.09	-	0.09	2.22	-	2.22
Financial assets							
Loans		124.78	-	124.78	321.41	-	321.41
Trade receivables		1,222.54	-	1,222.54	1,471.04	-	1,471.04
Cash and cash equivalents		25.88	-	25.88	17.69	-	17.69
Other financial assets	1.a.	571.67	(6.74)	564.93	574.71	(4.36)	570.35
Tax Assets (Net)		-	-	-	65.14	-	65.14
Other current assets		93.31	-	93.31	42.65	-	42.65
		2,038.27	**(6.74)**	**2,031.53**	**2,494.86**	**(4.36)**	**2,490.50**
Total Assets		**6,179.23**	**(6.74)**	**6,172.49**	**6,860.36**	**(9.01)**	**6,851.35**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		244.39	-	244.39	300.26	-	300.26
Other equity							
Share application money pending allotment		0.07	-	0.07	0.70	-	0.70
Securities premium	2	3,162.47	-	3,162.47	6,351.15	14.73	6,365.88
Currency translation reserve	3.a	-	-	-	-	(1.28)	(1.28)
Employee stock options outstanding	2	56.37	96.70	153.07	108.23	182.74	290.96
Retained earnings		(816.20)	(103.44)	(919.64)	(576.11)	(205.20)	(781.31)
Total equity		**2,647.10**	**(6.74)**	**2,640.36**	**6,184.23**	**(9.01)**	**6,175.21**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		2,175.00	-	2,175.00	-	-	-
Other financial liabilities		9.16	-	9.16	-	-	-
Provisions		53.72	-	53.72	58.17	-	58.17
		2,237.88	**-**	**2,237.88**	**58.17**	**-**	**58.17**
Current liabilities							
Financial liabilities							
Borrowings		540.00	-	540.00	-	-	-
Trade payables		196.40	-	196.40	239.41	-	239.41
Other financial liabilities		261.39	-	261.39	14.98	-	14.98
Provisions		2.30	-	2.30	3.14	-	3.14
Liabilities for current tax		3.76	-	3.76	65.14	-	65.14
Other current liabilities		290.40	-	290.40	295.30	-	295.30
Total Current liabilities		**1,294.25**	**-**	**1,294.25**	**617.97**	**-**	**617.97**
Total liabilities		**3,532.13**	**-**	**3,532.13**	**676.14**	**-**	**676.14**
Total equity and liabilities		**6,179.23**	**(6.74)**	**6,172.49**	**6,860.36**	**(9.01)**	**6,851.35**

32.1.2 Reconciliation of statement of profit and loss as previously reported under Indian GAAP to Ind AS for the year ended 31 March 2016 Rs. Mln.

Particulars	Sub-note ref.	Indian GAAP	Adjust-ments	Ind-AS
Income				
Revenue from operations	1.b.	2,626.61	(5.62)	2,620.99
Finance income	1.b.	18.03	3.34	21.37
Other income	4	27.99	(20.57)	7.42
Total income		**2,672.63**	**(22.85)**	**2,649.78**
Expenses				
Purchase of stock-in-trade		23.14	-	23.14
Changes in inventories of stock-in-trade		(2.13)	-	(2.13)
Employee benefits expense	2 & 3.b.	1,042.64	95.96	1,138.60
Finance costs		35.69	-	35.69
Depreciation and amortisation expense		454.60	-	454.60
Other expenses	3.a. & 4	813.46	(21.85)	791.61
Total expenses		**2,367.40**	**74.11**	**2,441.51**
Profit before tax		**305.23**	**(96.96)**	**208.27**
Income tax expense				
Current tax (includes MAT)		65.14	-	65.14
Profit for the year		**240.09**	**(96.96)**	**143.13**
Other Comprehensive income				
(i) Items that will not be reclassified subsequently to profit or loss :				
Remeasurement gains / (losses) of defined benefit obligations	3.b.	-	(4.80)	(4.80)
Income tax on above item(s)		-	-	-
		-	**(4.80)**	**(4.80)**
(ii) Items that may be reclassified subsequently to profit or loss :				
Effect of change in functional currency of foreign operations	3.a.	-	(1.28)	(1.28)
Income tax on above item(s)		-	-	-
		-	**(1.28)**	**(1.28)**
Other comprehensive income for the year (i + ii)		-	(6.08)	(6.08)
Total comprehensive income for the year, net of tax		**240.09**	**(103.04)**	**137.05**

Sub notes

1. Imputed interest in respect of customer contracts having extended credit periods

   Imputed interest in respect of customer contracts having extended credit period was not earlier seggregated as interest income, but was shown as part of the revenue from operations. The same has been worked out and dealt with as below:

1.a. Imputed net interest of Rs.6.74 Mln. in respect of reveunes accrued till 01 April 2015 has been reduced from the opening retained earnings on transition date. The net interest of Rs.2.27 Mln. for the year 2015-16 has been reduced from the revenue from operations which resulted in cumulative reduction of Rs.9.01 Mln. from retained earnings as at 31 March 2016.

1.b. Imputed interest of Rs.5.62 Mln. in respect of revenues accrued in the financial year 2015-16 has been reduced from revenue from operations. The imputed interest amounting to Rs.3.34 Mln., attributable to the financial year 2015-16 has been accrued and shown under finance income.

2. Share based payments

   The Company has issued various stock option schemes to the option grantees. As required under Ind AS the unvested stock options have now been fair valued, instead of intrinsic value accounting made under the previous Indian GAAP. The difference has been dealt with as below:

   The differential cost of fair value amounting to Rs.96.70 Mln. has been reduced from the opening retained earnings on transition date. The differntial cost of fair value for the financial year 2015-16 amounting to Rs.100.77 Mln. has been added to employee benefits expense which resulted in cumulative reduction of Rs.197.47 Mln. from retained earnings as at 31 March 2016. During the financial year 2015-16 Rs.14.73 Mln., has been transferred to securities premium account from stock options outstanding account relating to the stock options exercised by the option grantees.

3. Other comprehensive income

   Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. The following reclassifications have been now made:

3.a. Foreign exchange fluctuation expense of Rs.1.28 Mln. for the financial year 2015-16 pertaining to foreign branches, earlier considered under statement of profit and loss has now been grouped under OCI, on account of change in functional currency of foreign operation and shown as currency transalation reserve in the Balance Sheet.

3.b. Under Indian GAAP including actuarial gains and losses relating to defined benefit obligations were charged to statement of profit and loss. Under Ind AS, remeasurement gains and losses are recognised under OCI. Thus the employee benefits expense cost has been reduced by Rs.4.80 Mln. and recognized in the OCI during the financial year 2015-16.

4. Recovery of expenses from customers

   Under Indian GAAP, the recovery of expenses from customers were presented under other income. Under Ind AS, the same is required to be netted off with the relevant expenditure. Thus Rs.20.57 Mln. has been reduced from other income and netted off with other expenses during the financial year 2015-16.

33. Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. Accordingly, the gross amount required to be spent by the Company during the year ended 31 March 2017 is Rs.0.88 Mln. Details of amount spent during the year on CSR activities are given below:

Rs. Mln.

Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	0.90	-	0.90

34. Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308E dated March, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Rs.

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08 November 2016	203,000	48,182	251,182
Cash withdrawal from Banks	-	666,000	666,000
(+) Permitted receipts	-	144,021	144,021
(-) Permitted payments	-	(562,002)	(562,002)
(-) Amount deposited in Banks	(203,000)	-	(203,000)
Closing cash in hand as on 30 December 2016	-	296,201	296,201

For the purposes of this clause, the term “Specified Bank Notes” shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 08 November 2016.

35. Related party transactions

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Subsidiary companies

1. Ramco Systems Corporation, USA
2. Ramco Systems Ltd., Switzerland
3. Ramco Systems Pte Ltd., Singapore
4. Ramco Systems Sdn Bhd., Malaysia
5. RSL Enterprise Solutions (Pty) Ltd., South Africa
6. Ramco Systems Canada Inc., Canada (wholly owned subsidiary of Ramco Systems Corporation, USA)
7. Ramco Systems FZ-LLC, Dubai
8. RSL Software Company Limited, Sudan
9. Ramco Systems Australia Pty Ltd., Australia
10. Ramco System Inc., Philippines

b. Key managerial personnel (KMP), including KMP under Companies Act, 2013

1. P R Ramasubrahmaneya Rajha, Chairman
2. P R Venketrama Raja, Vice Chairman & Managing Director
3. Virender Aggarwal, Chief Executive Officer
4. R Ravi Kula Chandran, Chief Financial Offier
5. G Karthikeyan, Company Secretary (was on employment till 05 December 2016)
6. M M Venkatachalam, Independent Director
7. V Jagadisan, Independent Director
8. A V Dharmakrishnan, Non-Executive, Non Independent Director
9. R S Agarwal, Independent Director
10. Soundara Kumar, Independent Director

c. Relatives of KMP

1. P R Venketrama Raja, Son of P R Ramasubrahmaneya Rajha
2. R Sudarsanam, Spouse of P R Ramasubrahmaneya Rajha
3. S Saradha Deepa, Daughter of P R Ramasubrahmaneya Rajha
4. R Nalina Ramalakshmi, Daughter of P R Ramasubrahmaneya Rajha
5. P V Nirmala, Spouse of P R Venketrama Raja
6. B Srisandhya Raju, Daughter of P R Venketrama Raja
7. P V Abinav Ramasubramaniam Raja, Son of P R Venketrama Raja

d. Enterprises over which the above persons exercise significant influence and with which the Company has transactions during the year

1. Rajapalayam Mills Limited
2. The Ramco Cements Limited
3. Ramco Industries Limited
4. The Ramaraju Surgical Cotton Mills Limited
5. Sri Vishnu Shankar Mills Limited
6. Sandhya Spinning Mill Limited
7. Thanjavur Spinning Mill Limited
8. Rajapalayam Spintex (A division of Rajapalayam Mills Ltd)
9. Sri Harini Textiles Limited
10. Swarna Boomi Estate
11. Thanga Vilas Estate
12. Rajapalayam Textile Limited
13. Shri Harini Media Limited
14. Sudarsanam Estate
15. Shri Abhinava Vidya Theertha Seva Trust
16. Smt. Lingammal Ramaraju Shastra Prathista Trust
17. The Ramco Cements Limited Educational and Charitable Trust
18. Gowrihouse Metal Works
19. JKR Enterprises Limited
20. Gowrishankar Screws
21. P.A.C.R Sethuramammal Charity Trust
22. P.A.C.R. Sethuramammal Charities
23. Rajapalayam Spinners Limited
24. Ontime Industrial Services Limited
25. Madurai Trans Carrier Limited
26. Ramco Welfare Trust

The Company's transactions with the above related parties are given below: Rs. Mln.

Particulars	**Transaction during 2016-17**	**Outstanding as at 31.03.2017**	Transaction during 2015-16	Outstanding as at 31.03.2016
Income from Sale of goods & services				
Ramco Systems Corporation, USA	**152.19**	**10.81**	174.50	21.49
Ramco Systems Canada Inc, Canada	**23.07**	**3.50**	6.90	0.52
Ramco Systems Limited, Switzerland	**14.60**	**5.42**	19.67	12.29
Ramco Systems Sdn. Bhd., Malaysia	**65.29**	**48.39**	51.68	21.78
Ramco Systems Pte. Ltd., Singapore	**102.73**	**73.82**	70.48	58.24
RSL Enterprise Solutions (Pty) Ltd., South Africa	**120.22**	**79.81**	117.13	57.77
Ramco Systems FZ-LLC, Dubai	**194.41**	**123.98**	211.55	138.08
RSL Software Co. Ltd., Sudan	**0.29**	**12.59**	-	12.59
Ramco Systems, Australia Pty Ltd., Australia	**165.05**	**126.02**	91.46	90.54
Ramco System Inc., Philippines	**50.80**	**48.96**	-	-
The Ramco Cements Limited	**210.91**	**0.16**	154.87	16.34
Ramco Industries Limited	**62.55**	**-**	5.21	0.01
Rajapalayam Mills Limited	**2.33**	**0.20**	1.92	0.45
Rajapalayam Textile Limited	**0.30**	**-**	0.25	0.07
Sri Vishnu Shankar Mills Limited	**1.14**	**-**	0.94	0.05
Sandhya Spinning Mill Limited	**1.00**	**-**	0.83	-
Thanjavur Spinning Mill Limited	**0.29**	**0.07**	0.26	0.01
Sri Harini Textiles Limited	**0.17**	**-**	0.14	0.04
The Ramaraju Surgical Cotton Mills Limited	**1.39**	**0.02**	1.24	0.39
Sudarsanam Estate	**0.22**	**0.19**	0.21	0.06

Particulars	Transaction during 2016-17	Outstanding as at 31.03.2017	Transaction during 2015-16	Outstanding as at 31.03.2016
Swarna Bhoomi Estate	**0.14**	**-**	0.12	0.05
Thanga Vilas Estate	**0.15**	**-**	0.16	0.06
Ramco Welfare Trust	**0.06**	**-**	0.07	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	**0.06**	**0.01**	0.07	0.02
The Ramco Cements Limited Educational and Charitable Trust	**0.26**	**0.07**	0.38	0.04
Gowrihouse Metal Works	**0.18**	**-**	0.18	-
Gowrishankar Screws	**0.22**	**-**	0.21	-
P.A.C.R Sethuramammal Charity Trust	**0.06**	**0.07**	0.07	0.04
P.A.C.R. Sethuramammal Charities	**0.32**	**-**	0.37	0.03
JKR Enterprises Limited	**0.14**	**-**	0.14	0.01
Ontime Industrial Services Limited	**11.50**	**-**	-	-
Madurai Trans Carrier Limited	**0.95**	**0.95**	-	-
Shri Harini Media Limited	**-**	**-**	0.21	-
Income from royalty				
Ramco Systems Corporation, USA	**134.32**	**23.93**	144.39	60.65
Ramco Systems Canada Inc., Canada	**3.83**	**0.18**	1.52	0.11
Ramco Systems Limited, Switzerland	**11.18**	**2.89**	19.85	3.10
Ramco Systems Sdn. Bhd., Malaysia	**54.22**	**31.50**	63.86	8.47
Ramco Systems Pte. Ltd., Singapore	**36.50**	**33.45**	133.99	110.60
Ramco Systems FZ-LLC, Dubai	**190.46**	**135.48**	193.59	151.05
Ramco Systems, Australia Pty Ltd., Australia	**85.28**	**58.99**	139.27	77.16
RSL Enterprise Solutions (Pty) Ltd., South Africa	**0.45**	**-**	-	-
Ramco System Inc., Philippines	**65.22**	**22.95**	-	-
Income from sale of license				
Ramco Systems Pte. Ltd., Singapore	**144.94**	**69.22**	-	-
Cost of services availed				
Ramco Systems Limited, Switzerland	**-**	**16.35**	-	17.48
Loans given				
RSL Enterprise Solutions (Pty) Ltd., South Africa	**6.60**	**56.53**	-	56.40
Ramco Systems, Australia Pty Ltd., Australia	**214.64**	**294.01**	61.29	72.77
Ramco Systems Pte. Ltd., Singapore	**371.28**	**132.70**	115.11	138.30
Ramco Systems FZ-LLC, Dubai	**134.49**	**189.98**	57.63	53.94
Investments				
Ramco Systems Pte. Ltd., Singapore (refer note no. 'c' below)	**346.65**	**-**	-	-
Ramco System Inc., Philippines	**17.44**	**-**	-	-
Interest - Income				
RSL Enterprise Solutions (Pty) Ltd., South Africa	**5.70**	**-**	5.23	-
Ramco Systems, Australia Pty Ltd., Australia	**21.56**	**-**	3.26	-
Ramco Systems Pte. Ltd., Singapore	**29.68**	**-**	8.90	-
Ramco Systems FZ-LLC, Dubai	**13.97**	**-**	0.43	-
Rent expense				
The Ramco Cements Limited	**81.50**	**-**	80.79	-
Rajapalayam Mills Limited	**0.07**	**-**	0.07	-
Sitting fees				
P R Ramasubrahmaneya Rajha	**0.06**	**-**	0.08	-
M M Venkatachalam	**0.14**	**-**	0.14	-
V Jagadisan	**0.14**	**-**	0.16	-
A V Dharmakrishnan	**0.14**	**-**	0.14	-
R S Agarwal	**0.08**	**-**	0.09	-
Soundara Kumar	**0.08**	**-**	0.08	-

Particulars	Transaction during 2016-17	Outstanding as at 31.03.2017	Transaction during 2015-16	Outstanding as at 31.03.2016
Fees for professional services				
V Jagadisan	**0.15**	**-**	0.34	-
Remuneration				
P R Venketrama Raja	**1.17**	**-**	1.17	-
R Ravi Kula Chandran	**9.49**	**-**	7.35	-
G Karthikeyan	**0.86**	**-**	1.47	-
Application money received for exercise of stock options				
Virender Aggarwal	**8.28**	**-**	-	-
R Ravi Kula Chandran	**2.39**	**-**	-	-
A V Dharmakrishnan	**10.64**	**-**	-	-
CSR Contribution				
Shri Abhinava Vidya Theertha Seva Trust	**0.90**	**-**	-	-

Notes:

a) Details of corporate guarantee / Undertaking given by the Company are given in the note no.38.

b) The above figures include Service Tax / Vat / CST as applicable.

c) Represents conversion of loan of Rs.346.65 Mln.SGD 7.45 Mln. to equity.

d) The transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free, except loan transactions. The Company has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are 30 to 60 days, except in the case of overseas subsidiaries, from whom the receivables are realised within the prescribed period.

e) Remuneration to P R Venketrama Raja represents Basic pay and other allowances / perquisites amounting to Rs.1.08 Mln. and retiral contribution Rs.0.09 Mln. during the current and previous year.

f) Details of corporate guarantees availed from related parties are given in note nos.16 and 19.

g) 2,500 options granted during the year under employees stock option scheme to G Karthikeyan.

36. The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

37. Capital management

For the purpose of the Company's capital management, capital means the Total Equity as per the Balance Sheet. The primary objective of the Company's capital management is to maximise the Shareholder's wealth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is Net Debt divided the Total Equity.

Rs. Mln.

Particulars	**As at 31.03.2017**	As at 31.03.016	As at 01.04.2015
Borrowings	**50.00**	-	2,715.00
Long term and current maturities of long term loans	**-**	-	260.67
Less: Cash and cash equivalents	**19.95**	17.69	25.88
Net Debt (A)	**30.05**	(17.69)	2,949.79
Equity Share Capital	**304.41**	300.26	244.39
Other Equity	**6,546.83**	5,874.95	2,395.97
Total Equity (B)	**6,851.24**	6,175.21	2,640.36
Debt / Equity (A / B)	**0.44%**	(0.29)%	112%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/ borrowing. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31 March 2017, 31 March 2016 and 01 April 2015.

		As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.	As at 01.04.2015 Rs. Mln.
38.	**Contingent liabilities and commitments**			
	Contingent Liabilities			
a)	**Bank Guarantees**			
	Issued by the Bankers to the Company (as at 31 March 2017 including Rs. 57.66 Mln. and as at 31 March 2016 including Rs.29.81 Mln. in favour of a banker to the Dubai subsidiary, Ramco Systems FZ-LLC)	**97.58**	62.78	34.03
b)	**Corporate Guarantee issued in favour of customer(s) of**			
	i) the Malaysian subsidiary, Ramco Systems Sdn. Bhd	**32.23**	32.96	31.11
	ii) the Australian subsidiary, Ramco Systems Australia Pty. Ltd.	**122.45**	125.25	-
	iii) the Company	**-**	-	6.60
c)	**Claims against the Company not acknowledged as debts**			
i)	Disputed Tamil Nadu VAT demand			
	1. Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	**75.86**	75.86	75.86
	2. Relating to 2014-15 to 2016-17 in respect of which no demand notice has been received	**24.87**	22.41	12.09
ii)	Disputed Sales tax demand - pending before the first appellate authority – Year 2006-07	**-**	0.96	0.96
iii)	Disputed Service tax demand – pending before the first appellate authority – Years 2009-10 to 2014-15	**4.58**	4.83	-
iv)	Income Tax – pending before the first appellate authority AY:2007-08 to 2011-12	**-**	0.01	0.01
v)	Wealth Tax – pending before the first appellate authority AY:2005-06 to 2007-08	**-**	-	2.31
vi)	Other litigations	**17.53**	24.20	24.55
vii)	Letter of undertaking issued in favor of Malaysian subsidiary, Ramco Systems Sdn. Bhd., in respect of its dues from the Singapore subsidiary, Ramco Systems Pte. Ltd.	**-**	51.08	51.23
	Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**7.03**	10.46	13.03

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore and Ramco Systems Australia Pty. Ltd., Australia.

Note: The Company is engaged in development of software products, which are marketed by the Company and its overseas subsidiaries. The intellectual property rights are held by the Company. There are in-built warranties for performance and support. Claims which may arise out of these are not quantifiable and hence not provided for.

39. **Financial risk management objectives and policies**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risks faced by the Company. The risk management systems are reviewed periodically. The Audit Committee of the Board overseas the compliance with the policy. The Internal Audit reviews the risk management controls and procedures and reports to the Audit Committee.

The Company's financial risks comprise of market risk, credit risk and liquidity risk.

A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

A.1 Interest rate risk

The Company has borrowed debt at variable rates to finance its operations, which exposes it to interest rate risk. The Company's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

Rs. Mln.

Particulars	For the financial year		
	2016-17	2015-16	2014-15
Fixed rate borrowing	**112.40**	313.58	2,867.10
Variable rate borrowing	**12.05**	17.42	47.74

1% change in interest rate on variable rate borrowing would impact the interest cost for 2016-17 by Rs.0.07 Mln. (2015-16: Rs.0.02 Mln.)

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company’s exposure to the risk of changes in foreign exchange rates relates primarily to the Company’s transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans to overseas subsidiaries, trade payables.

The Company's exposure to foreign currency risk with respect to material currencies (un-hedged) as detailed below:

Currency	Trade and other receivables	Unbilled revenue	Foreign currency loan	Total
AED in Millions				
As at 31 Mar 2017	17.46	0.29	11.05	28.80
As at 31 Mar 2016	18.71	-	3.06	21.77
As at 01 Apr 2015	11.58	-	-	11.58
AUD in Millions				
As at 31 Mar 2017	3.78	-	6.00	9.78
As at 31 Mar 2016	3.35	-	1.45	4.80
As at 01 Apr 2015	0.84	-	0.17	1.01
SGD in Millions				
As at 31 Mar 2017	3.54	-	2.89	6.43
As at 31 Mar 2016	3.41	-	2.84	6.25
As at 01 Apr 2015	1.71	-	1.25	2.96

Foreign currency sensitivity Rs. Mln.

Foreign Currency	**For the year ended 31 Mar 2017**		For the year ended 31 Mar 2016	
	1% Increase	**1% Decrease**	1% Increase	1% Decrease
AED	**15.08**	**(15.08)**	16.40	(16.40)
AUD	**3.78**	**(3.78)**	3.35	(3.35)
SGD	**3.54**	**(3.54)**	3.41	(3.41)

B. Credit risk

Credit risk is the risk of financial loss to the Company, if the customer or counter party to the financial instruments fail to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

Customer credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored.

B.1 Trade receivables

Trade receivable of the Company include dues from its overseas subsidiaries which are risk free and other customer receivables are exposed to credit risk. The number of other customers and percentage out of total other customers who owed more than Rs.5.00 Mln. as at 31 March 2017: 13 customers accounted for 43%, as at 31 March 2016: 24 customers accounted for 63% and as at 01 April 2015: 23 customers accounted for 63% accordingly.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company and where there is a probability of default. The Company creates a provision based on Expected Credit Loss for trade receivables at the rate of 3% on outstandings more than 365 days.

B.2 Unbilled Revenue

Unbilled Revenue of the Company are also exposed to risk in the event of the inability to bill the customer. The Company creates a provision based on Expected Credit Loss at the rate of 3% on the outstanding more than 365 days.

B.3 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. The Company is presently exposed to counter party risk relating to deposits and investments made in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

C. Liquidity risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Financial arrangements

The Company has access to the following undrawn borrowing facilities: Rs. Mln.

Particulars	**As at 31 Mar 2017**	As at 31 Mar 2016	As at 01 Apr 2015
Expiring within one year			
Bank cash credit / overdraft / packing credit / WCDL	**570**	200	190
Term loans	**-**	-	130
Expiring beyond one year			
Term loans	**-**	-	-

Maturities of financial liabilities Rs. Mln.

Year Ended	< 1 Year	> 1 Year	Total
As at 31 Mar 2017			
Borrowings	50	-	50
Contingent consideration	79	18	97
Trade and other payables	220	-	220
Total	**349**	**18**	**367**
As at 31 Mar 2016			
Borrowings	-	-	-
Contingent consideration	41	22	63
Trade and other payables	254	-	254
Total	**295**	**22**	**317**
As at 01 Apr 2015			
Borrowings	792	2,184	2,976
Contingent consideration	12	22	34
Trade and other payables	206	-	206
Total	**1,010**	**2,206**	**3,216**

40. The Company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.

41. The Company's shares are listed on BSE Limited and The National Stock Exchange of India Limited. In line with theprovisions of the listing agreement with the stock exchanges, the listing fee for the financial year 2016-17 have been paid to the BSE Limited and The National Exchange of India Limited.

42. Figures for the previous year(s) have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.

43. The figures in Rupees have been rounded off to the million in current and previous years.

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

C N GANGADARAN
Partner
Membership No.:011205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

RESEARCH AND DEVELOPMENT ACTIVITIES

BALANCE SHEET AS AT 31 MARCH 2017

	Note No.	As at 31.03.2017 Rs. Mln.	As at 31.03.2016 Rs. Mln.
ASSETS			
Non-current assets			
Property, plant and equipment	1	**2.81**	3.08
Intangible assets	2	**2,430.74**	2,495.96
Total Non-current assets		**2,433.55**	2,499.04
Current assets			
Financial assets		**0.37**	0.25
Other current assets		**5.09**	4.11
Total Current assets		**5.46**	4.36
Total Assets		**2,439.01**	2,503.40
EQUITY AND LIABILITIES			
Equity			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		**(4,240.86)**	(3,835.26)
Total Equity		**(4,240.86)**	(3,835.26)
Liabilities			
Non-current liabilities			
Head office contra account		**6,669.70**	6,329.77
Total Non-current liabilities		**6,669.70**	6,329.77
Current liabilities			
Financial liabilities			
Trade payables		**1.75**	1.89
Other current liabilities		**8.42**	7.00
Total Current liabilities		**10.17**	8.89
Total liabilities		**6,679.87**	6,338.66
Total equity and liabilities		**2,439.01**	2,503.40
Notes on financials of Research & Development Activities	**1 to 5**		

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

C N GANGADARAN
Partner
Membership No.:011205

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
		Rs. Mln.	Rs. Mln.
Expenses			
Employee benefits expense	**3**	**8.38**	11.16
Depreciation and amortisation expense	**1 & 2**	**397.22**	384.65
Other expenditure	**4**	**-**	-
Total expenditure		**405.60**	395.81
Profit /(loss) for the year		**(405.60)**	(395.81)
Notes on financials of Research & Development Activities	**1 to 5**		

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

C N GANGADARAN
Partner
Membership No.:011205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

R RAVI KULA CHANDRAN
Chief Financial Officer

M M VENKATACHALAM
Director

Place : Chennai
Date : 30 May 2017

NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

1. Property, plant and equipment

Rs. Mln.

Particulars	Laptops and desktops	Servers and networks	Office equipments	Total
As at 01 April 2015	**26.99**	**46.19**	**0.12**	**73.30**
Gross block				
Additions	3.16	-	0.05	3.21
Disposals	0.16	-	-	0.16
As at 31 March 2016	**29.99**	**46.19**	**0.17**	**76.35**
Additions	1.03	-	-	1.03
Disposals	-	-	-	-
As at 31 March 2017	**31.02**	**46.19**	**0.17**	**77.38**
Depreciation				
As at 01 April 2015	**26.79**	**45.93**	**0.12**	**72.84**
For the year	0.32	0.16	0.01	0.49
Disposals	0.06	-	-	0.06
As at 31 March 2016	**27.05**	**46.09**	**0.13**	**73.27**
For the year	1.19	0.10	0.01	1.30
Disposals	-	-	-	-
As at 31 March 2017	**28.24**	**46.19**	**0.14**	**74.57**
Net block				
As at 01 April 2015	**0.20**	**0.26**	**-**	**0.46**
As at 31 March 2016	**2.94**	**0.10**	**0.04**	**3.08**
As at 31 March 2017	**2.78**	**-**	**0.03**	**2.81**

2. Intangible Assets

Rs. Mln.

Particulars	Technology platform	Product software	Computer software	Total
Gross block				
As at 01 April 2015	**1,196.86**	**3,160.17**	**77.66**	**4,434.69**
Additions	118.75	228.06	1.54	348.35
Deletions	-	-	-	-
As at 31 March 2016	**1,315.61**	**3,388.23**	**79.20**	**4,783.04**
Additions	90.89	239.47	0.34	330.70
Deletions	-	-	-	-
As at 31 March 2017	**1,406.50**	**3,627.70**	**79.54**	**5,113.74**
Amortisation				
As at 01 April 2015	**563.55**	**1,281.59**	**57.78**	**1,902.92**
For the year	98.92	278.84	6.40	384.16
Impairment loss	-	-	-	-
As at 31 March 2016	**662.47**	**1,560.43**	**64.18**	**2,287.08**
For the year	103.93	285.59	6.40	395.92
Impairment loss	-	-	-	-
As at 31 March 2017	**766.40**	**1,846.02**	**70.58**	**2,683.00**
Net block				
As at 01 April 2015	**633.31**	**1,878.58**	**19.88**	**2,531.77**
As at 31 March 2016	**653.14**	**1,827.80**	**15.02**	**2,495.96**
As at 31 March 2017	**640.10**	**1,781.68**	**8.96**	**2,430.74**

Note:
The Company has opted to use previous GAAP carrying amount as Deemed cost as at the date of transition to Ind AS (i.e As on 01 Apr 2015). However, as per the FAQ dated 30 June 2016 issued by the Accounting Standard Board of ICAI, the above information regarding gross block of assets, accumulated depreciation / amortization and provision for impairment under Previous GAAP is provided as an additional disclosure and the same is not considered for subsequent recognition and/or measurement purposes.

		Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2016 Rs. Mln.
3.	**Employee benefits expense**		
	Salaries, Bonus, contributions etc.,	**285.07**	300.11
	Staff welfare	**5.17**	8.49
	Gross cost	**290.24**	308.60
	Less: Product Research and Development Expenditure Capitalised	**(281.86)**	(297.44)
		8.38	11.16
4.	**Other expenses**		
	Postage & telephone	**0.36**	0.44
	Power & fuel	**6.67**	23.41
	Travel & conveyance	**6.07**	2.58
	Rent / Hosting charges	**14.80**	7.83
	Consultancy & outsourcing charges	**19.20**	13.02
	Other miscellaneous expenses	**1.40**	2.09
	Gross cost	**48.50**	49.37
	Less: Product Research and Development Expenditure Capitalised	**(48.50)**	(49.37)
		-	-
5.	**Calculation of Total R&D expenditure**		
	i) Captial expenditure for R&D (exclusive of Product Research & Development Expenditure capitalised) (Refer note no. 1 & 2)	**1.37**	4.75
	ii) Recurring R&D expenditure:		
	Employee benifit expense-gross (Refer note no. 3)	**290.24**	308.60
	Other expenses-gross (Refer note no.4)	**48.50**	49.37
	Sub-total	**338.74**	357.97
	Total R&D expenditure (i) + (ii)	**340.11**	362.72

RAMCO SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

SUBSIDIARIES

1 Ramco Systems Corporation, USA
2 Ramco Systems Ltd., Switzerland
3 Ramco Systems Pte. Ltd., Singapore
4 Ramco Systems Sdn. Bhd., Malaysia
5 RSL Enterprise Solutions (Pty) Ltd., South Africa
6 Ramco Systems Canada Inc., Canada
7 Ramco Systems FZ-LLC, Dubai
8 RSL Software Co. Ltd., Sudan
9 Ramco Systems Australia Pty Ltd., Australia
10 Ramco System Inc., Philippines
11 Ramco Systems (Shanghai) Co. Ltd., China

AUDITORS

Messrs CNGSN & ASSOCIATES LLP
Chartered Accountants, Chennai

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Ramco Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act . The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the Companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its Associate and for preventing and detecting frauds and other irregularities; the selection and application of the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the Group and its Associate as at March 31, 2017, and their profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended on that date.

Other Matter

a) The financial statements / financial information of a subsidiary and its step down subsidiary, were audited by us of which the accompanying Consolidated Financial Statements reflect total assets of Rs.572.32 million as at March 31, 2017, total revenues of Rs.861.92 million, net profit after tax of Rs.86.19 million and net cash out flows amounting to Rs.9.50 million during the year.

b) We did not audit the financial statements / financial information of eight Subsidiaries, whose financial statements / financial information reflect total assets of Rs.2,475.47 million as at March 31, 2017, total revenues of Rs.2,197.92 million, net loss after tax of Rs.485.70 million and net cash inflows amounting to Rs.18.81 million for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements / financial information have been audited / reviewed by other Auditors, whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries is based solely on the reports of the other Auditors.

c) The Consolidated Financial Statements also include the Group's share of net profit of Rs.1.50 million, for the year ended February 29, 2017, as considered in the Consolidated Financial Statements, in respect of the Associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the Associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Associate, is based solely on such unaudited financial statements /financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

d) Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters stated in paragraph (b) and (c) above, with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

e) The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 20, 2016 and May 29, 2015, respectively. The adjustments to those financial statements for the differences in accounting principls adopted by the Group on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(1) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

(2) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(3) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

(4) in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

(5) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(6) we have enclosed our separate report in "Annexure I" with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

(7) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate, in accordance with the generally accepted accounting practice – also refer note no.34 to the Consolidated Financial Statements.

   ii) The Group and its associate did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.

   iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company; and

   iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note no. 38 to the standalone Ind AS financial statements.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S
LLP Registration No. S200036

C N GANGADARAN
Partner
Membership No.:011205

Place : Chennai
Date : 30 May 2017

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 6 under 'Report on Other Legal and Regulatory Requirements' section, of our report of even date on the Consolidated Ind AS Financial Statements of Ramco Systems Limited for the year ended March 31, 2017)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Holding Company as of March 31, 2017 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Holding Company for the year ended on that date. Our reporting on the Internal Financial Controls in the case of consolidated financial statements, is applicable only to the Holding Company, which has been audited by us.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S
LLP Registration No. S200036

C N GANGADARAN
Partner
Membership No.:011205

Place : Chennai
Date : 30 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

	Note No.	As at 31.03.2017 Rs. Mln.	As at 31.03.2017 USD Mln.	As at 31.03.2016 Rs. Mln.	As at 31.03.2016 USD Mln.	As at 01.04.2015 Rs. Mln.	As at 01.04.2015 USD Mln.
ASSETS							
Non-current assets							
Property, plant and equipment	5	**170.95**	**2.65**	161.25	2.45	139.12	2.24
Intangible assets	6	**2,503.47**	**38.84**	2,571.50	39.01	2,601.07	41.80
Investment in associate	7	**11.09**	**0.17**	9.59	0.15	5.56	0.09
Financial assets	8						
Investments		**15.00**	**0.23**	15.00	0.22	-	-
Trade receivables		**119.18**	**1.85**	49.23	0.75	10.61	0.17
Other financial assets		**575.76**	**8.93**	503.40	7.64	84.43	1.36
Tax assets (net)		**156.39**	**2.43**	219.49	3.33	185.17	2.98
Deferred tax assets (net)	9	**478.31**	**7.42**	-	-	-	-
Other non-current assets	10	**2.69**	**0.04**	3.56	0.11	5.61	0.09
		4,032.84	**62.56**	3,533.02	53.66	3,031.57	48.73
Current assets							
Inventories	11	**0.16**	**-**	2.22	0.03	0.09	-
Financial assets	12						
Trade receivables		**1,141.85**	**17.72**	1,433.90	21.75	1,291.70	20.76
Cash and cash equivalents		**80.94**	**1.26**	69.38	1.06	104.68	1.68
Other financial assets		**1,380.08**	**21.41**	1,424.73	21.61	970.95	15.60
Tax Assets (net)		**98.72**	**1.53**	65.14	0.99	-	-
Other current assets	13	**90.58**	**1.41**	72.91	1.04	111.05	1.79
		2,792.33	**43.33**	3,068.28	46.48	2,478.47	39.83
Total assets		**6,825.17**	**105.89**	6,601.30	100.14	5,510.04	88.56
EQUITY AND LIABILITIES							
Equity							
Equity share capital	14	**304.41**	**6.02**	300.26	5.96	244.39	5.08
Other equity	15	**5,097.82**	**77.79**	4,848.55	72.14	1,269.72	19.25
Equity attributable to equity holders of the Parent		**5,402.23**	**83.81**	5,148.81	78.10	1,514.11	24.33
Non-controlling interests		**5.15**	**0.08**	3.05	0.05	2.77	0.05
Total equity		**5,407.38**	**83.89**	5,151.86	78.15	1,516.88	24.38
Liabilities							
Non-current liabilities							
Financial liabilities	16						
Borrowings		**-**	**-**	-	-	2,175.00	34.96
Other financial liabilities		**5.73**	**0.09**	52.39	0.79	9.16	0.15
Deferred tax liabilities (net)	9	**0.90**	**0.01**	5.06	0.08	3.10	0.05
Provisions	17	**136.56**	**2.12**	133.41	2.02	116.83	1.87
Other non-current liabilities	18	**13.94**	**0.22**	3.68	0.06	-	-
		157.13	**2.44**	194.54	2.95	2,304.09	37.03
Current liabilities							
Financial liabilities	19						
Borrowings		**50.00**	**0.78**	-	-	540.00	8.68
Trade payables		**490.19**	**7.61**	376.20	5.71	254.63	4.09
Other financial liabilities		**19.03**	**0.30**	14.98	0.23	261.38	4.20
Provisions	20	**6.83**	**0.10**	3.14	0.05	2.30	0.04
Liabilities for current tax		**66.63**	**1.03**	94.74	1.43	23.36	0.38
Other current liabilities	21	**627.98**	**9.74**	765.84	11.62	607.40	9.76
		1,260.66	**19.56**	1,254.90	19.04	1,689.07	27.15
Total liabilities		**1,417.79**	**22.00**	1,449.44	21.99	3,993.16	64.18
Total equity and liabilities		**6,825.17**	**105.89**	6,601.30	100.14	5,510.04	88.56

The accompanying policies and notes form an integral part of the financial statements

Significant Accounting Policies, Judgements and Estimates	1-4
Notes on Financial Statements	5-40

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

C N GANGADARAN
Partner
Membership No.:011205

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Note No.	Year ended 31.03.2017 Rs. Mln.	Year ended 31.03.2017 USD Mln.	Year ended 31.03.2016 Rs. Mln.	Year ended 31.03.2016 USD Mln.
Income					
Revenue from operations	22	**4,491.77**	**67.24**	4,409.45	67.90
Finance income	23	**55.75**	**0.83**	12.23	0.19
Other income	24	**45.69**	**0.69**	12.34	0.19
Total income		**4,593.21**	**68.76**	4,434.02	68.28
Expenses					
Purchase of stock-in-trade		**35.58**	**0.53**	25.55	0.39
Changes in inventories of stock-in-trade	25	**2.06**	**0.03**	(2.13)	(0.03)
Employee benefits expense	26	**2,060.33**	**30.84**	1,986.81	30.60
Finance costs	27	**13.35**	**0.20**	35.96	0.55
Depreciation and amortisation expense	28	**477.60**	**7.15**	461.66	7.11
Other expenses	29	**2,310.26**	**34.59**	1,599.43	24.63
Total expenses		**4,899.18**	**73.34**	4,107.28	63.25
Profit / (Loss) before share of Profit of an associate		**(305.97)**	**(4.58)**	326.74	5.03
Share of Profit of an associate	7	**1.50**	**0.02**	4.03	0.06
Profit / (Loss) before tax		**(304.47)**	**(4.56)**	330.77	5.09
Income tax expense					
Current tax (includes MAT)		**67.62**	**1.01**	89.05	1.37
Deferred tax (includes MAT credit)		**(480.85)**	**(7.20)**	-	-
Total Income tax expenses	9	**(413.23)**	**(6.19)**	89.05	1.37
Profit for the year		**108.76**	**1.63**	241.72	3.72
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) of defined benefit obligations		**(3.18)**	**(0.05)**	(4.80)	(0.07)
Income tax on above item(s)		**1.10**	**0.02**	-	-
		(2.08)	**(0.03)**	(4.80)	(0.07)
(ii) Items that may be reclassified to profit or loss					
Effect of change in functional currency of foreign operations		**(3.47)**	**1.86**	0.25	(3.50)
Income tax on above item(s)		**-**	**-**	-	-
		(3.47)	**1.86**	0.25	(3.50)
Other comprehensive income for the year (i + ii)		**(5.55)**	**1.83**	(4.55)	(3.57)
Total comprehensive income for the year		**101.10**	**3.43**	236.89	0.15
Profit for the year attributable to:					
a) Shareholders of the Company		**106.65**	**1.60**	241.44	3.72
b) Non-controlling interests		**2.11**	**0.03**	0.28	-
		108.76	**1.63**	241.72	3.72
Total comprehensive income for the year attributable to:					
a) Shareholders of the Company		**101.10**	**3.43**	236.89	0.15
b) Non-controlling interests		**2.11**	**0.03**	0.28	-
		103.21	**3.46**	237.17	0.15
Earnings per Equity Share of Rs.10 each, in Rs. and USD (calculated on profit for the year attributable to Shareholders of the Company)					
Basic		**3.54**	**0.05**	8.22	0.13
Diluted		**3.54**	**0.05**	7.90	0.12
Weighted average equity shares used in computing earnings per share					
Basic		**30,148,545**		29,381,673	
Diluted		**30,148,545**		30,550,342	

The accompanying policies and notes form an integral part of the financial statements

Significant Accounting Policies, Judgements and Estimates	1 - 4
Notes on Financial Statements	5 - 40

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

C N GANGADARAN
Partner
Membership No.:011205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2017

	Year ended 31.03.2017		Year ended 31.03.2016	
	Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.
A. Cash flow from operating activities:				
Profit before tax	**(305.97)**	**(4.58)**	326.74	5.03
Adjustments for :				
Depreciation and impairment of property, plant and equipment (PPE)	**59.48**	**0.89**	57.10	0.88
Amortisation and impairment of intangible assets	**418.12**	**6.26**	404.56	6.23
Share based payment expenses accrual	**105.90**	**1.59**	179.50	2.76
(Profit) / loss on sale of PPE (Net)	**1.18**	**0.02**	1.86	0.03
Provision for bad and doubtful debts & other financial assets	**194.32**	**2.91**	19.75	0.30
Bad and doubtful debts & other financial assets	**258.25**	**3.87**	169.29	2.61
Remeasurement of defined benefit obligations	**(3.18)**	**(0.05)**	(4.80)	(0.07)
Effect of exchange difference on translation of deferred tax & fixed assets	**4.23**	**(0.88)**	1.33	3.28
Effect of change in foreign currency translation reserve	**(3.47)**	**1.85**	0.25	(4.40)
Unrealised exchange (gain) / loss	**94.56**	**1.42**	(29.31)	(0.45)
Grant income	**(41.83)**	**(0.63)**	(4.52)	(0.07)
Finance income	**(55.75)**	**(0.83)**	(12.23)	(0.19)
Finance costs	**13.35**	**0.20**	35.96	0.55
Operating profit before working capital / other changes	**739.19**	**12.03**	1145.48	16.49
Adjustments for :				
Increase / (decrease) in provisions	**6.84**	**0.15**	17.42	0.16
Increase in trade and other payables	**113.99**	**1.90**	121.57	1.62
Increase in other current liabilities	**(170.21)**	**(2.35)**	219.75	2.77
Increase in trade and other receivables	**(319.65)**	**(5.99)**	(1300.59)	(17.38)
Increase / (decrease) in inventories	**2.06**	**0.03**	(2.13)	(0.03)
Cash generated from operations	**372.22**	**5.78**	201.50	3.63
Income tax paid	**(5.15)**	**(0.04)**	(13.91)	(0.25)
Net cash flow from operating activities (A)	**367.07**	**5.74**	187.59	3.37
B. Cash flow from investing activities:				
Addition to tangible / intangible assets	**(421.81)**	**(6.54)**	(458.97)	(6.96)
Investments	**-**	**-**	(15.00)	(0.22)
Proceeds from sale of PPE	**0.76**	**0.01**	3.52	0.05
Short term fixed deposits placed with Banks	**-**	**-**	(0.12)	-
Proceeds from long term borrowings for assets under hire purchase	**-**	**-**	0.49	0.01
Repayment of long term borrowings for assests under hire purchase	**-**	**-**	(16.15)	(0.25)
Receipt of government grant	**20.58**	**0.30**	(0.19)	-
Finance income	**55.75**	**0.83**	12.23	0.19
Net cash used in investing activities (B)	**(344.72)**	**(5.40)**	(474.19)	(7.18)
C. Cash Flow from Financing Activities:				
Proceeds from issue of Share Capital on account of issue of shares under Qualified Institutional Placement & Employee Stock Option Plans	**47.11**	**0.70**	3218.10	50.87
Proceeds from long term borrowings	**-**	**-**	50.00	0.80
Proceeds from short term borrowings	**1446.34**	**21.72**	217.50	3.50
Repayment of long term borrowings	**-**	**-**	(2470.00)	(39.70)
Repayment of short term borrowings	**(1396.34)**	**(20.95)**	(757.50)	(12.17)
Finance costs paid	**(13.35)**	**(0.20)**	(36.10)	(0.55)
Net cash generated from financing activities (C)	**83.76**	**1.28**	222.00	2.74
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**106.11**	**1.61**	(64.61)	(1.07)
Effect of unrealised exchange (gain) / loss	**(94.56)**	**(1.42)**	29.31	0.45
Net cash generated / (used in) for the year	**11.56**	**0.20**	(35.30)	(0.62)
Cash and cash equivalents at the beginning of the year	**69.38**	**1.06**	104.68	1.68
Cash and cash equivalents as at end of the year	**80.94**	**1.26**	69.38	1.06

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

C N GANGADARAN
Partner
Membership No.:011205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

CONSOLIDATED STATEMNT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	Nos. in Mln.	Rs. Mln.	USD Mln.
Balance as at 01 April 2015	24.40	244.39	5.08
Changes in Equity Share Capital during 2015-16 (refer note no.14)	5.59	55.87	0.88
Balance as at 31 March 2016	29.99	300.26	5.96
Changes in Equity Share Capital during 2016-17 (refer note no.14)	0.42	4.15	0.06
Balance as at 31 March 2017	**30.41**	**304.41**	**6.02**

b. Other Equity for the year ended 31 March 2017

Particulars	Share application money pending allotment		Reserves & Surplus						Items of OCI		Total		Non-controlling interests		Total other equity	
			Securities Premium		Employee stock options outstanding		Retained earnings		Currency translation reserve							
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at 01 April 2016	0.70	0.01	6,365.88	116.36	290.96	4.61	(1,809.24)	(45.34)	0.25	(3.50)	4,848.55	72.14	3.05	0.05	4,851.60	72.19
Profit for the period	-	-	-	-	-	-	106.65	1.60	-	-	106.65	1.60	2.11	0.03	108.76	1.63
Other comprehensive income																
(a) Remeasurement gain / (losses) of defined benefit obligations*	-	-	-	-	-	-	(2.08)	(0.03)	-	-	(2.08)	(0.03)	-	-	(2.08)	(0.03)
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(3.47)	1.86	(3.47)	1.86	-	-	(3.47)	1.86
Total comprehensive income	**0.70**	**0.01**	**6,365.88**	**116.36**	**290.96**	**4.61**	**(1,704.67)**	**(43.77)**	**(3.22)**	**(1.64)**	**4,949.65**	**75.57**	**5.15**	**0.08**	**4,954.81**	**75.65**
Subscription to stock option schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	(0.70)	(0.01)	42.97	0.64	-	-	-	-	-	-	42.27	0.63	-	-	42.27	0.63
Transfer on exercise of stock options	-	-	88.67	1.32	(88.67)	(1.32)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	105.90	1.59	-	-	-	-	105.90	1.59	-	-	105.90	1.59
As at 31 March 2017	**-**	**-**	**6,497.52**	**118.32**	**308.19**	**4.88**	**(1,704.67)**	**(43.77)**	**(3.22)**	**(1.64)**	**5,097.82**	**77.79**	**5.15**	**0.08**	**5,102.97**	**77.87**

Other Equity for the year ended 31 March 2016

Particulars	Share application money pending allotment		Reserves & Surplus						Items of OCI		Total		Non-controlling interests		Total other equity	
			Securities Premium		Employee stock options outstanding		Retained earnings		Currency translation reserve							
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at 01 April 2015	0.07	-	3,162.46	65.76	153.07	2.47	(2,045.88)	(48.98)	-	-	1,269.72	19.25	2.77	0.05	1,272.49	19.30
Profit for the period	-	-	-	-	-	-	241.44	3.72	-	-	241.44	3.72	0.28	-	241.72	3.72
Other comprehensive income																
(a) Remeasurement gain / (losses) of defined benefit obligations*	-	-	-	-	-	-	(4.80)	(0.08)	-	-	(4.80)	(0.08)	-	-	(4.80)	(0.08)
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	0.25	(3.50)	0.25	(3.50)	-	-	0.25	(3.50)
Total comprehensive income	**0.07**	**-**	**3,162.46**	**65.76**	**153.07**	**2.47**	**(1,809.24)**	**(45.34)**	**0.25**	**(3.50)**	**1,506.61**	**19.39**	**3.05**	**0.05**	**1,509.66**	**19.44**
Subscription to stock option schemes	0.70	0.01	-	-	-	-	-	-	-	-	0.70	0.01	-	-	0.70	0.01
Issue of share capital	(0.07)	-	3,161.81	49.98	-	-	-	-	-	-	3,161.74	49.98	-	-	3,161.74	49.98
Transfer on exercise of stock options	-	-	41.61	0.62	(41.61)	(0.62)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	179.50	2.76	-	-	-	-	179.50	2.76	-	-	179.50	2.76
As at 31 March 2016	**0.70**	**0.01**	**6,365.88**	**116.36**	**290.96**	**4.61**	**(1,809.24)**	**(45.34)**	**0.25**	**(3.50)**	**4,848.55**	**72.14**	**3.05**	**0.05**	**4,851.60**	**72.19**

* In accordance with Ind AS, remeasurment gain / (losses) of defined benefit obligations recognised in OCI are not to be subsequently reclassified to profit or loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Group information

The consolidated financial statements comprise financial statements of Ramco Systems Limited, India (the "Company" or the "Parent") and its subsidiaries (collectively, "Group") and affiliate as given below for the year ended 31 March 2017.

Sl. No.	Name	Country	% holding of the Parent	Year ending on
	Subsidiaries			
(a)	Ramco Systems Corporation	USA	98%	31st March
(b)	Ramco Systems Limited	Switzerland	100%	31st March
(c)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31st March
(d)	Ramco Systems Pte. Ltd.	Singapore	100%	31st March
(e)	RSL Enterprise Solutions (Pty) Ltd.	South Africa	100%	31st March
(f)	Ramco Systems Canada Inc. (100% held by sl. no. (a) above)	Canada	98%	31st March
(g)	Ramco Systems FZ-LLC	Dubai	100%	31st March
(h)	RSL Software Company Ltd.	Sudan	100%	31St March
(i)	Ramco Systems Australia Pty Ltd.	Australia	100%	31st March
(j)	Ramco System Inc.*	Philippines	100%	31st March
(k)	Ramco Systems (Shanghai) Co. Ltd. **	China	100%	31st March
	Affiliate			
(a)	City Works Pty. Ltd., South Africa (earlier known as Redlex 47 (Pty) Limited) (30% held by sl.no. (e) above)	South Africa	30%	28th February

* Incorporated on 05 April 2016.

** Though the business license has been obtained on 03 November 2016, capital contribution has yet to be made as on 31 March 2017 and there were no operations during the year.

The percentage of holding of the Parent Company in respect of subsidiaries against sl. nos. (a) to (i) and affiliate were same as at 31 March 2017, 31 March 2016 and 01 April 2015.

The Company is a public limited company domiciled and headquartered in India and incorporated on 19 February 1997 under the provisions of Companies Act, 1956. Its shares are listed in BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at No. 47, P.S.K Nagar, Rajapalayam, 626108 and corporate office and R&D center is located at 64, Sardar Patel Road, Taramani, Chennai, 600113.

The Company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like Human Capital Management, Aviation Maintenance Repair & Overhaul and Banking Analytics and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or offered as a service hosted on cloud. The subsidiary companies are involved in selling / implementing / supporting the products developed by the Parent.

The consolidated financial statements for the year ended 31 March 2017 were approved and adopted by the Board of Directors of the Company in its meeting held on 30 May 2017.

2. Basis of preparation of Consolidated Financial Statements

2.1 The consolidated financial statements for the period up to 31 March 2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous Indian GAAP). Pursuant to the mandatory requirement for adoption of Indian Accounting Standards (Ind AS), as notified by the Ministry of Corporate Affairs (MCA), the Company has prepared its consolidated financial statements for the year ended 31 March 2017 in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. As mandated by the Ind AS, the comparative figures in the consolidated financial statements with respect to the previous year also have been restated in accordance with Ind AS requirements. As a first time adopter of Ind AS, the comparative consolidated Balance Sheet for the opening date (01 April 2015 being the date of transition), is prepared under Ind AS. Refer to note no. 30 for information on how the Group adopted Ind AS.

2.2 Pursuant to General Circular No.39/2014 dated 14 October 2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.

2.3 The consolidated financial statements have been prepared on the historical cost basis except certain financial instruments (refer note no. 3.b and 3.n) and defined benefit plan assets, share based payments that are measured at fair values.

2.4 An asset is treated as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2.5 A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.6 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.7 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.8 The consolidated financial statements are presented in Indian Rupees (i.e. the functional currency of the Parent) as well as in United States Dollars (USD) and all values are rounded to the nearest millions, except when otherwise indicated.

2.9 **Basis of consolidation**

The consolidated financial statements comprise of the financial statements of the Group and Affiliate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.

The financial statements of subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The financial statements of the Affiliate have been consolidated using the Equity Method. The most recent available financial statements of the associate is used in applying the equity method.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: a) the amount of equity attributable to the non-controlling interest at the dates on which investment in a subsidiary is made; and b) the share of movements in equity of non-controlling interest since the date the parent-subsidiary relationship came into existence.

Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the Parent's functional currency, as well as in USD. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the spot rate on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Translation of financial statements of foreign branches

All transactions of the foreign branch are recorded in their respective functional currencies.

Income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. All assets and liabilities are translated at the rate prevailing on the Balance Sheet date. Net gain / loss on foreign currency translation is recognized in the OCI.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the monthly moving average exchange rates applicable for the year. The equity share capital is stated at the exchange rate at the date of the investment. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in consolidated statement of profit or loss.

As allowed by Ind AS 101, cumulative currency translation differences for all foreign operations have been reset to zero both in Rs. and USD at the date of transition, viz., 01 April 2015.

3. Significant accounting policies

a. Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

b. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Revenue recognition

Revenue is recognized in accordance with Ind AS 18: 'Revenue'. This requires exercise of judgment and the use of estimates in connection with the determination of the amount of revenue to be recognised in each accounting period.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

The specific recognition criteria described below must be met before revenue is recognized.

Revenues are derived from the following streams: (1) Software License (2) Software development / implementation services (3) Product Support Services (4) Application Maintenance Services (5) Software as a Service (SaaS) (6) Managed Services (7) Value Added Resale Hardware & Software and (8) Other income.

License fees:

Software license revenues represent all fees earned from granting customers licenses to use the Group's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognised on delivery of the software, including cases with extended credit period, when, in the opinion of the Group, there are no collectability concerns.

Software development / implementation fees:

Software development / implementation contracts are either fixed price or time and material based. In the case of fixed price contracts, revenue is recognized in accordance with percentage of completion method. In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, forming part of the implementation services are recognised in accordance with percentage of completion method.

Product support service fees:

Fees for product support services, covering inter alia improvement and upgradation of the basic software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

Application maintenance service fees:

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

Software as a Service (SaaS) fees:

Subscription fees for offering the hosted software as a service are recognised as revenue ratably on straight line basis, over the term of the subscription arrangement.

Managed services fees:

Fees for managed services, which include business processing services, are recognised as revenue as services are provided.

Value added resale hardware & software:

Revenue from sale of traded hardware / software is recognized on transfer of significant risks and rewards of ownership to customers which generally coincides with dispatch of goods.

Multiple element arrangements:

Software licenses are often sold in combination with implementation and product support services. The consideration in such multiple element contracts is allocated based either on the fair value of each element or on the residual method. Under the residual method, the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

In cases, where implementation services significantly alter the software's capabilities, software license revenue is recognized on percentage of completion method, instead of considering software and implementation services as separate elements.

Revenues from implementation services in respect of hosting contracts are to be recognized as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship. However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognised in accordance with percentage of completion method.

Other income:

Interest on bank deposits and rental income are recognized on accrual basis.

The imputed interest attributable to arrangements having extended credit period is eliminated from the revenue from operations and accounted as interest over the credit period.

d. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grant related to income is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to an asset is recognised as income in equal amounts over the expected useful life of the related asset.

e. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income tax Act, 1961 of the Company and other applicable tax laws in the countries where the Group operates and generate taxable income.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz., MAT credit entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the "MAT credit entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

Current tax assets and liabilities are offset, when the Group has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Group has legally enforceable right to set off current tax assets against current tax liabilities.

Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

When assets are acquired on Hire Purchase these are capitalized at the gross value and interest thereon charged to consolidated statement of profit and loss.

Depreciation in the books of the Company is charged on a pro-rata basis on the Straight Line Method as prescribed under Schedule II of the Companies Act, 2013 over the useful life of the assets.

Depreciation in the books of subsidiaries is charged on a pro-rata basis on the straight-line method over the useful life of the assets.

The useful lives used by the Group on various assets are tabled below:

Asset type	Useful life ranging from (years)
Building	60
Laptop & desktops	3 to 5
Server & networks	6
Furniture	5 to16
Office equipment	3 to 7
Electrical items	5 to 10
Vehicles	8

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets of the Group are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

Software development costs

Research costs are expensed as incurred. Software development expenditures on product / platform are recognised as intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of these assets begins from the year, following the year in which such development costs are incurred. It is amortized over the period of expected future benefit. Amortization expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified and grouped as “Product software” under intangible assets. Similarly, costs incurred in the development of technology platform framework, which would enable the Group to provide solutions -both standard and customized - in an efficient manner, have been classified and grouped as “Technology platform” under intangible assets.

During the period of development and thereafter, the asset is tested for impairment annually.

Company is filing patent applications and costs incurred for filing the patent application like consultancy and filing fees are capitalized upon grant of Patents.

The useful life of the above assets is estimated as under:

Asset type	Useful life ranging from (years)
Self-generated R&D (Product software & Technology platform)	10
Computer software	3 to 6
Patents	10

h. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalization by applying capitalization rate to the expenditure incurred on such cost. The capitalization rate determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 01 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

j. Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the consolidated statement of profit and loss.

l. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the consolidated financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent assets are neither recognized nor disclosed.

m. Employee benefits expense

Short-term employee benefits

Short-term employee benefits viz., salaries, wages and other benefits are recognized as expenses at the undiscounted amount as per contractual terms in the consolidated statement of profit and loss for the year in which the related service is rendered.

Defined contribution plans of the Company

Superannuation

The senior officers of the Company have been given an option to participate in defined contribution plan ("The superannuation plan") maintained by the Life Insurance Corporation of India. For those who opt to participate, the Company makes contributions not exceeding Rupees One Lakh per annum, based on specified percentage of basic salary of each covered employee. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contribution/payments.

National pension system

The employees of the Company have been given an option to participate in a defined contribution plan ("National Pension System"), maintained by the fund managers approved by the Pension Fund Regulatory and Development Authority. For those who opt to participate, the Company makes contributions equal to 10% of the covered employee's basic salary. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contributions/payments.

Provident fund

In addition to the above benefits, all employees receive benefits from a Provident fund, which is defined contribution plan. Both the employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's basic salary. These contributions are made to the employees' provident fund maintained by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plans of the Company

Gratuity

In accordance with the Indian Law, the Company provides for gratuity, a defined benefit plan ("The Gratuity Plan"), covering all employees. The employees are covered under the Company Gratuity Scheme of the Life Insurance Corporation of India. The liability for gratuity is ascertained as at the end of the financial year, based on the actuarial valuation by an independent external actuary as at the Balance Sheet date using the "projected unit credit method".

Remeasurement of net defined benefit asset / liability comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the consolidated statement of profit and loss.

Leave encashment

The Company has a policy of providing encashment of unavailed leave for its employees. The obligation for the leave encashment is recognised based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognized in the consolidated statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

In respect of subsidiaries, such benefits to the extent applicable have been provided for in the books as required.

n. Financial instruments

1.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.2 Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

1.3 The Group initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Group. When the Group reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Group does not restate any previously recognised gains, losses including impairment gains or losses or interest.

Financial Assets

1.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

1.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

1.6 The Group has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business model
Amortised cost	The objective of the Group is to hold and collect the contractual cash flows till maturity. In other words, the Group do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Group is to collect its contractual cash flows and selling financial assets.

Investment in equity of associate is carried at cost (i.e) previous GAAP carrying amount as at the date of transition to Ind AS. The Group has exercised an irrevocable option at the time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Group classifies its financial assets for measurement as below:

Classification	Name of financial assets
Amortised cost	Trade receivables, loans and advances, deposits, grants, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity instrument in companies other than associate as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

1.7 Financial assets are derecognised (i.e) removed from the consolidated financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Group also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

a. significant risk and rewards of the financial asset, or

b. control of the financial asset

However, the Group continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Group has applied the de-recognition requirements prospectively.

1.8 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the consolidated statement of profit and loss.

1.9 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. However the impairment testing methodology used in respect of unbilled revenue is same as that of trade receivables.

Financial Liabilities

1.10 Financial liabilities comprises of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

1.11 The Group measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Trade payables, Interest accrued, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

1.12 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.

1.13 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the consolidated statement of profit and loss.

o. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible in to cash.

p. Cash dividend

The Group recognizes a liability to make cash dividend, when the distribution is authorized and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity including applicable taxes.

q. Cash flow statement

Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

r. Share based payments

Stock options granted to the option grantees of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the options are granted. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The ex-modification fair value is recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognised over the vesting period remaining after the modification date.

Graded vesting options

If the options vest in instalments (i.e. the options vest pro rata over the vesting period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

s. Earnings per share (EPS)

Net profit after tax is divided by the weighted average number of equity shares outstanding.

When an item of income or expense which is otherwise required to be recognized in the consolidated statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing EPS.

Basic EPS amounts are calculated by dividing the consolidated profit for the year attributable to equity holders of the Parent by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the consolidated profit for the year attributable to equity holders of the Parent by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares.

t. Operating Segments

The Group's business operation comprises of single operating segment viz., Software and related solutions. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

4. Significant estimates and judgements

The preparation of the consolidated financial statements requires the Group's management ("management") to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of consolidated financial statements:

Property, plant and equipment and intangible assets

The residual values and estimated useful life of PPEs, intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation / amortization / impairment.

Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred tax asset (including MAT credit entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of non-financial assets (PPE / intangible assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Share based payments

The Group initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

5. Property, plant and equipment

Particulars	Building		Laptops and desktops		Servers and networks		Furniture		Office equipments		Electrical items		Vehicles		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross Block																
As at 01 April 2015	3.12	0.05	266.10	4.27	227.64	3.65	40.46	0.65	41.87	0.68	11.02	0.17	31.97	0.52	622.18	9.99
Additions	-	-	29.70	0.45	16.95	0.26	5.84	0.09	23.16	0.35	3.24	0.05	5.08	0.08	83.97	1.28
Disposals	-	-	(0.63)	(0.01)	-	-	(0.59)	(0.01)	(1.08)	(0.02)	(0.37)	(0.01)	(6.04)	(0.09)	(8.71)	(0.14)
Exchange differences	-	-	6.09	(0.15)	0.85	(0.19)	1.29	(0.02)	0.53	(0.03)	0.02	(0.01)	-	(0.03)	8.78	(0.43)
As at 31 March 2016	**3.12**	**0.05**	**301.26**	**4.56**	**245.44**	**3.72**	**47.00**	**0.71**	**64.48**	**0.98**	**13.91**	**0.20**	**31.01**	**0.48**	**706.22**	**10.70**
Additions	-	-	20.01	0.32	12.04	0.20	17.95	0.28	14.47	0.22	3.19	0.06	4.06	0.06	71.72	1.13
Disposals	-	-	(2.35)	(0.04)	-	-	(2.01)	(0.03)	(1.13)	(0.02)	(0.76)	(0.01)	(1.69)	(0.03)	(7.94)	(0.13)
Exchange difference	-	-	(3.16)	0.06	(0.40)	0.08	(0.54)	0.01	(1.35)	-	0.01	-	-	0.01	(5.44)	0.16
As at 31 March 2017	**3.12**	**0.05**	**315.76**	**4.90**	**257.08**	**4.00**	**62.40**	**0.97**	**76.47**	**1.18**	**16.35**	**0.25**	**33.38**	**0.52**	**764.56**	**11.86**
Depreciation																
As at 01 April 2015	**1.69**	**0.03**	**216.70**	**3.48**	**207.11**	**3.32**	**27.65**	**0.44**	**17.03**	**0.27**	**4.76**	**0.08**	**8.12**	**0.13**	**483.06**	**7.75**
For the year	0.03	-	26.12	0.40	13.44	0.20	2.01	0.03	10.03	0.16	1.27	0.02	4.20	0.06	57.10	0.88
Disposals	-	-	(0.52)	(0.01)	-	-	(0.23)	-	(0.96)	(0.01)	(0.13)	-	(1.49)	(0.02)	(3.33)	(0.04)
Exchange difference	-	-	5.92	(0.13)	0.76	(0.17)	1.27	(0.01)	0.19	(0.02)	-	-	-	(0.01)	8.14	(0.34)
As at 31 March 2016	**1.72**	**0.03**	**248.22**	**3.74**	**221.31**	**3.36**	**30.70**	**0.46**	**26.29**	**0.40**	**5.90**	**0.10**	**10.83**	**0.16**	**544.97**	**8.25**
For the year	0.05	-	23.15	0.35	12.13	0.17	3.43	0.06	15.00	0.23	1.53	0.02	4.19	0.06	59.48	0.89
Disposals	-	-	(2.35)	(0.04)	-	-	(1.86)	(0.03)	(1.01)	(0.02)	(0.31)	-	(0.47)	(0.01)	(6.00)	(0.10)
Exchange difference	-	-	(2.96)	0.07	(0.34)	0.10	(0.48)	(0.01)	(1.05)	(0.01)	(0.01)	-	-	0.01	(4.84)	0.16
As at 31 March 2017	**1.77**	**0.03**	**266.06**	**4.12**	**233.10**	**3.63**	**31.79**	**0.48**	**39.23**	**0.60**	**7.11**	**0.12**	**14.55**	**0.23**	**593.61**	**9.21**
Net block																
As at 01 April 2015	**1.43**	**0.02**	**49.40**	**0.79**	**20.53**	**0.33**	**12.81**	**0.21**	**24.84**	**0.41**	**6.26**	**0.09**	**23.85**	**0.39**	**139.12**	**2.24**
As at 31 March 2016	**1.40**	**0.02**	**53.04**	**0.82**	**24.13**	**0.36**	**16.30**	**0.25**	**38.19**	**0.58**	**8.01**	**0.10**	**20.18**	**0.32**	**161.25**	**2.45**
As at 31 March 2017	**1.35**	**0.02**	**49.70**	**0.77**	**23.98**	**0.37**	**30.61**	**0.49**	**37.24**	**0.58**	**9.24**	**0.13**	**18.83**	**0.29**	**170.95**	**2.65**

6. Intangible assets

Particulars	Technology Platform		Product Software		Computer Software		Patents		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	US DMln.
Gross block										
As at 01 April 2015	1,196.86	19.23	3,160.18	50.79	420.97	6.76	12.22	0.20	4,790.23	76.98
Additions	118.75	1.80	228.06	3.46	26.70	0.41	1.47	0.02	374.98	5.69
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	(1.08)	-	(2.85)	1.04	(0.36)	-	(0.01)	1.04	(4.30)
As at 31 March 2016	**1,315.61**	**19.95**	**3,388.24**	**51.40**	**448.71**	**6.81**	**13.69**	**0.21**	**5,166.25**	**78.37**
Additions	90.89	1.41	239.48	3.72	19.18	0.30	0.54	0.01	350.09	5.44
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	0.46	-	1.17	(1.65)	0.13	-	-	(1.65)	1.76
As at 31 March 2017	**1,406.50**	**21.82**	**3,627.72**	**56.29**	**466.24**	**7.24**	**14.23**	**0.22**	**5,514.69**	**85.57**
Amortisation										
As at 01 April 2015	**563.55**	**9.05**	**1,281.59**	**20.60**	**338.84**	**5.44**	**5.18**	**0.09**	**2,189.16**	**35.18**
Opening Adjustment	**-**	**-**	**-**	**-**	**(0.01)**	**-**	**-**	**-**	(0.01)	-
For the year	98.92	1.52	278.84	4.30	25.63	0.39	1.17	0.02	404.56	6.23
Impairment loss	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	(0.52)	-	(1.23)	1.03	(0.30)	0.01	-	1.04	(2.05)
As at 31 March 2016	**662.47**	**10.05**	**1,560.43**	**23.67**	**365.49**	**5.53**	**6.36**	**0.11**	**2,594.75**	**39.36**
For the year	103.93	1.56	285.60	4.28	27.22	0.41	1.37	0.02	418.12	6.26
Impairment loss	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	0.28	-	0.70	(1.65)	0.13	-	-	(1.65)	1.11
As at 31 March 2017	**766.40**	**11.89**	**1,846.03**	**28.64**	**391.06**	**6.07**	**7.73**	**0.13**	**3,011.22**	**46.73**
Net block										
As at 01 April 2015	**633.31**	**10.18**	**1,878.59**	**30.19**	**82.13**	**1.32**	**7.04**	**0.11**	**2,601.07**	**41.80**
As at 31 March 2016	**653.14**	**9.90**	**1,827.81**	**27.73**	**83.22**	**1.28**	**7.33**	**0.10**	**2,571.50**	**39.01**
As at 31 March 2017	**640.10**	**9.93**	**1,781.69**	**27.65**	**75.18**	**1.17**	**6.50**	**0.09**	**2,503.47**	**38.84**

1. The Group has opted to use previous GAAP carrying amount as Deemed cost as at the date of transition to Ind AS (i.e As on 01 April 2015). However, as per the FAQ dated 30 June 2016 issued by the Accounting Standard Board of ICAI, the above information regarding gross block of assets, accumulated depreciation / amortisation and provision for impairment under Previous GAAP is provided as an additional disclosure and the same is not considered for subsequent recognition and/or measurement purposes.
2. For the details of security to borrowings, refer note nos. 16 and 19.

7. Investment in an associate / affiliate

RSL Enterprise Solutions Pty Ltd., South Africa (RSSA) is a wholly owned subsidiary of Ramco Systems Limited, India the Holding Company. RSSA holds 30% shares in City Works Pty Ltd., South Africa, which is involved in the business of Information Technology Solutions. The Group's interest in the associate is accounted for using the equity method in the consolidated financial statements and the summarised financial information is as below:

	As at 28.02.2017		As at 29.02.2016		As at 28.02.2015	
	Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Current assets	**46.30**	**0.72**	25.80	0.39	15.39	0.25
Non-current assets	**0.03**	**-**	0.06	-	2.60	0.04
Current liabilities	**(25.19)**	**(0.39)**	(11.10)	(0.17)	(8.65)	(0.14)
Non-current liabilities	**-**	**-**	-	-	-	-
Exchange fluctuation	**15.81**	**0.25**	17.20	0.26	9.18	0.15
Equity	**36.95**	**0.57**	31.96	0.48	18.52	0.30
Proportion of the Group's ownership	**30%**	**30%**	30%	30%	30%	30%
Aggreagate value of unquoted equity investments in trade, long term, 600 shares (previous years 600) of face value of ZAR 1 each						
Carrying amount of the investment	**11.09**	**0.17**	9.59	0.15	5.56	0.09
Aggregate amount of impairment in the value of investment	**-**	**-**	-	-	-	-

	Year ended 28.02.2017		Year ended 29.02.2016	
	Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.
Revenue	**195.20**	**2.92**	152.17	2.34
Cost of services	**(177.46)**	**(2.66)**	(131.71)	(2.03)
Investment & other income	**0.44**	**0.01**	0.42	0.01
Finance cost	**-**	**-**	-	-
Operating expenses	**(11.25)**	**(0.17)**	(10.72)	(0.17)
Profit before tax	**6.93**	**0.10**	10.16	0.16
Income tax expense	**(1.94)**	**(0.03)**	(2.84)	(0.04)
Profit for the year	**4.99**	**0.07**	7.32	0.11
Total comprehensive income for the year	**4.99**	**0.07**	7.32	0.11
Group's share of profit for the year	**1.50**	**0.02**	2.20	0.03
Group's share of profit relating to earlier years	**-**	**-**	1.83	0.03
Total Group's share of profit	**1.50**	**0.02**	4.03	0.06

The accounting period of the associate is 01 March to 28 February. The equity adjustment is considered based on the financials prepared by the associate for the said period and no further adjustments considered as they are not material. The Group has opted to use the previous GAAP carrying amount as "Deemed cost" for the investment in associate.

		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
8.	**Financial assets (non-current)**						
8.1	**Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)**						
	2,335 Shares in Smart Megh Solutions Pvt. Ltd, India of face value of Rs.10 each (as at 31 March 2016 2,335 Shares @ Rs.10 each, as at 01 April 2015 Nil)	**15.00**	**0.23**	15.00	0.22	-	-
	Aggreagate value of unquoted investment	**15.00**	**0.23**	15.00	0.22	-	-
	Aggreagate value of impairment in value of investment	**-**	**-**	-	-	-	-
8.2	**Trade receivables**						
	Unsecured, considered good						
	Trade receivables	**120.44**	**1.87**	49.23	0.75	10.61	0.17
	Less: Impairment loss	**(1.26)**	**(0.02)**	-	-	-	-
	Unsecured, considered doubtful						
	Trade receivables	**260.25**	**4.04**	126.37	1.92	114.66	1.84
	Less: Impairment loss	**(260.25)**	**(4.04)**	(126.37)	(1.92)	(114.66)	(1.84)
		119.18	**1.85**	49.23	0.75	10.61	0.17
8.3	**Other financial assets**						
	Unsecured, considered good						
	Unbilled revenue	**561.26**	**8.71**	491.67	7.46	74.24	1.20
	Less: Impairment loss	**(1.16)**	**(0.02)**	-	-	-	-
	Security deposit	**15.08**	**0.24**	10.87	0.16	10.19	0.16
	Employee advances	**0.58**	**0.01**	0.86	0.02	-	-
	Unsecured, considered doubtful						
	Unbilled revenue	**71.33**	**1.11**	-	-	-	-
	Less: Impairment loss	**(71.33)**	**(1.11)**	-	-	-	-
		575.76	**8.93**	503.40	7.64	84.43	1.36
	Total non-current financial assets	**709.94**	**11.01**	567.63	8.61	95.04	1.53

9 Taxes

(a) Deferred tax (asset) / liability* Rs. Mln.

Nature of (asset) / liability	Balance sheet as at			Statement of profit and loss	
	31.03.2017	31.03.2016	01.04.2015	**31.03.2017**	31.03.2016
Tax impact on difference between book depreciation/ amortisation and depreciation under the Income Tax Act, 1961	**855.70**	880.41	894.35	**(24.71)**	(13.94)
Tax impact on unutilised carry forward losses	**(1,115.71)**	(1,133.72)	(1,179.73)	**18.01**	46.01
Tax effect of provision for gratuity	**(1.16)**	1.23	4.79	**(2.39)**	(3.56)
Tax effect of provision for compensated absences	**(19.76)**	(18.77)	0.22	**(0.99)**	(18.99)
Tax effect of provision for bad and doubtful debts	**(66.91)**	-	-	**(66.91)**	-
Tax impact on foreign exchange differences	**0.98**	-	-	**0.98**	-
Tax impact on all other provisions	**4.13**	1.15	1.34	**2.98**	(0.19)
Unused tax credits of current and previous year(s) (ie., MAT credit entitlement)	**(133.51)**	-	-	**(133.51)**	-
Adjustment for current/earlier years (Effect of non-consideration of deferred tax asset in the books)	**-**	270.68	280.17	**(270.68)**	(9.49)
Tax impact on remeasurement gains / (losses) on defined benefit obligations	**(1.10)**	-	-	**(1.10)**	-
Impact of foreign exchange on coversion of overseas entities	**(0.08)**	4.08	1.96	**0.90**	0.16
Deferred tax (asset)/liability (Net)	**(477.41)**	5.06	3.10		
Deferred tax expenses (Net)				**(477.41)**	-
In USD Mln.	***(7.41)***	*0.08*	*0.05*		

* To the extent considered by the Group. Deferred tax assets have not been considered by the subsidiaries in the USA, Singapore, Malaysia and Australia, since it was not considered probable that sufficient future taxable profits will be available to adjust the accumulated losses.

Rs. Mln.

(b) Reconciliation of deferred tax (asset) / liability (net)	Balance Sheet as at	
Particulars	**31.03.2017**	31.03.2016
Opening balance as at 01 April	**5.06**	3.10
Deferred Tax (income)/expense during the period recognised in Statement of Profit and Loss	**(476.31)**	-
Impact of foreign exchange on coversion of overseas entities	**(5.06)**	1.96
Deferred Tax credit during the year recognised in OCI	**(1.10)**	-
Closing balance as at 31 March	**(477.41)**	5.06

(c) Components of tax expenses	For the year ended	
Particulars	**31.03.2017**	31.03.2016
(i) Profit or loss section		
Current tax		
Current Income Tax charge	**67.62**	89.05
Deferred tax		
Relating to the origination and reversal of temporary differences	**(73.10)**	9.34
Adjustment (Credit taken) for earlier years/forex	**(274.24)**	(9.34)
MAT credit recognition of current year	**(52.12)**	-
MAT credit recognition of previous year(s)	**(81.39)**	-
Total tax (income) / expenses reported in profit or loss section	**(413.23)**	89.05
(ii) Other comprehensive income (OCI) section		
Deferred tax impact on remeasurement gains/ (losses) of defined benefit obligations	**(1.10)**	-
Total tax expenses / (credit) to OCI	**(1.10)**	-
(iii) Total tax (income) / expenses reported in statement of profit and loss	**(414.33)**	89.05

(d) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Accounting profit / (loss) before tax		**(305.97)**	326.74
Less: Adjustment from carry forward losses		**95.85**	216.84
Profit/(loss) considered for taxation		**(401.82)**	109.90
Corporate Tax Rate %		**34.608%**	34.608%
Computed tax expense/(income)		**(139.06)**	38.03
Increase/(reduction) in taxes on account of:			
MAT on accounting profit before tax		**19.67**	44.45
Tax adjustments of earlier years		**3.57**	18.29
Non-dedcutible expenses		**40.29**	0.42
Tax on non-taxable income for Indian tax purposes / impact due to differential tax rates from India		**151.97**	(16.58)
Additional allowances / deductions for tax purposes		**(8.81)**	4.44
		67.62	89.05
Deferred tax credit recognition during the year		**(347.34)**	-
MAT credit recognition of current year		**(52.12)**	-
MAT credit recognition of previous year(s)		**(81.39)**	-
Tax (income) / expenses reported in the statement of profit and loss		**(413.23)**	89.05
Tax (income) / expenses reported in the other comprehensive income		**(1.10)**	-
In USD Mln.	*P&L*	***(6.19)***	*1.37*
	OCI	***(0.02)***	-

1 During the year, the Group had, based on the estimates, determined that future taxable profit will be available against which the deductible temporary differences and unused tax losses / unused tax credits can be utilised and hence has recognised net deferred tax asset as above including the credit pertaining to earlier years.

2 During the year, the Group had, based on the estimates, determined that future economic benefits in the form of adjustment against the discharge of the normal tax liability within the specified period in which the MAT is allowed to be utilised, will be available and hence has recognised MAT credit entitlement as above including the credit pertaining to earlier years.

		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
10.	**Other non-current assets**						
	Unsecured, considered good						
	Prepaid expenses	**1.56**	**0.02**	1.69	0.02	2.26	0.04
	Advance to suppliers and service providers	**1.13**	**0.02**	1.87	0.09	3.35	0.05
		2.69	**0.04**	3.56	0.11	5.61	0.09
11.	**Inventories**						
	Stock-in-trade (represents hardware and software materials held for resale)	**0.16**	**-**	2.22	0.03	0.09	-
12.	**Financial assets (current)**						
12.1	**Trade receivables**						
	Unsecured, considered good						
	Trade receivables-associate	**24.07**	**0.37**	13.76	0.21	9.17	0.15
	Trade receivables-other related parties	**1.73**	**0.03**	17.67	0.27	7.83	0.12
	Trade receivables-others	**1,126.90**	**17.48**	1,402.47	21.27	1,274.70	20.49
	Less: Impairment loss	**(10.85)**	**(0.16)**	-	-	-	-
		1,141.85	**17.72**	1,433.90	21.75	1,291.70	20.76

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days, except the contracts which are entered with deferred credit terms.

For terms and conditions relating to related party receivables, refer note no. 31.

12.2	**Cash and cash equivalents**						
	Cash on hand	**0.28**	**0.01**	0.30	0.01	0.11	-
	Balances with Banks in current / savings / business accounts	**80.66**	**1.25**	69.08	1.05	104.57	1.68
		80.94	**1.26**	69.38	1.06	104.68	1.68
12.3	**Other financial assets**						
	Unsecured, considered good						
	Unbilled revenue	**1,284.99**	**19.94**	1,336.01	20.27	890.96	14.31
	Less: Impairment loss	**(10.31)**	**(0.16)**	-	-	-	-
	Security deposit	**8.44**	**0.13**	20.41	0.31	11.66	0.20
	Employee advances	**67.45**	**1.05**	59.35	0.90	64.42	1.03
	Government grant receivable	**25.96**	**0.40**	4.71	0.07	-	-
	Bank deposits held as margin money	**3.48**	**0.05**	3.48	0.05	3.36	0.05
	Balance with Banks in Share issue accounts	**0.07**	**-**	0.77	0.01	0.55	0.01
		1,380.08	**21.41**	1,424.73	21.61	970.95	15.60
	Total current financial assets	**2,602.87**	**40.39**	2,928.01	44.42	2,367.23	38.04

		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
13.	**Other current assets**						
	Unsecured, considered good						
	Prepaid expenses	**25.58**	**0.40**	35.52	0.54	38.47	0.62
	Advance to suppliers and service providers	**9.58**	**0.15**	16.74	0.19	40.40	0.65
	Statutory advances	**55.42**	**0.86**	20.65	0.31	32.18	0.52
		90.58	**1.41**	72.91	1.04	111.05	1.79
14.	**Equity share capital**						
	Authorised share capital						
	50,000,000 (as at 31 March 2016 and as at 01 April 2015 50,000,000) Equity Shares of Rs. 10 each	**500.00**		500.00		500.00	
	Issued and subscribed capital						
	30,754,517 (as at 31 March 2016 30,339,914 and as at 01 April 2015 24,752,834) Equity Shares of Rs.10 each	**307.55**	**6.09**	303.40	6.03	247.53	5.15
	Paid-up capital						
	30,405,339 (as at 31 March 2016 29,990,736 and as at 01 April 2015 24,403,656) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous years Rs.353,890) for 349,178 shares)	**304.41**	**6.02**	300.26	5.96	244.39	5.08
		304.41	**6.02**	300.26	5.96	244.39	5.08

		2016-17		2015-16		2014-15	
14.1	**The reconciliation of share capital for the year:**						
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
	At the beginning of the year	**300.26**	**5.96**	244.39	5.08	159.52	3.63
	Addition during the year	**4.15**	**0.06**	55.87	0.88	84.87	1.45
	At the end of the year	**304.41**	**6.02**	300.26	5.96	244.39	5.08

Movement in number of shares during:	**2016-17**	2015-16	2014-15
At the beginning of the year	**29,990,736**	24,403,656	15,916,585
Addition during the year			
i) Employee stock option schemes	**414,603**	468,980	528,778
ii) Qualified instituitional placement	**-**	5,118,100	-
iii) Rights issue 2013	**-**	-	7,958,293
At the end of the year	**30,405,339**	29,990,736	24,403,656

14.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of Rs.10 each.

The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
15.	**Other equity**						
	Securities Premium	**6,497.52**	**118.32**	6,365.88	116.36	3,162.46	65.76
	Currency translation reserve	**(3.22)**	**(1.64)**	0.25	(3.50)	-	-
	Employee stock options outstanding	**308.19**	**4.88**	290.96	4.61	153.07	2.47
	Retained earnings	**(1,704.67)**	**(43.77)**	(1,809.24)	(45.34)	(2,045.88)	(48.98)
	Share application money pending allotment	**-**	**-**	0.70	0.01	0.07	-
	Total equity attributable to equity holders of the Company	**5,097.82**	**77.79**	4,848.55	72.14	1,269.72	19.25
	Non-controlling interests	**5.15**	**0.08**	3.05	0.05	2.77	0.05
	Total other equity	**5,102.97**	**77.87**	4,851.60	72.19	1,272.49	19.30

Refer consolidated statement of changes in equity for movement.

Nature and purpose of reserves

Securities Premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued.

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operation.

Employee stock options outstanding

Represents employee stock compensation outstanding for options granted.

Retained earnings

Represents that portion of the net income / (loss) of the Group.

16. Financial liabilities (non-current)

		Effective Interest Rate % p.a.	Maturity date	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
16.1	**Borrowings**			**Rs. Mln.**	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
	Term loans from Banks, unsecured								
	ICICI Bank Ltd.	11.75	05 Aug 16	**-**	**-**	-	-	830.00	13.34
	ING Vysya Bank Ltd.	12	28 Mar 17	**-**	**-**	-	-	820.00	13.18
	Kotak Mahindra Bank Ltd.	11.3	02 Sep 17	**-**	**-**	-	-	225.00	3.62
	Kotak Mahindra Bank Ltd.	10.6	17 Mar 18	**-**				200.00	3.21
	Term loans from other parties, unsecured								
	Tata Capital Financial Services Ltd.	11	31 Mar 18	**-**	**-**	-	-	100.00	1.61
				-	**-**	-	-	2,175.00	34.96

As at 01 April 2015 - Security details

All the above borrowings are unsecured and supported by corporate gurantees from The Ramco Cements Limited.

16.2	**Other financial liabilities**								
	Long term maturities of hire purchase loans, secured								
	Hire purchase loans from non Banks	10.25-11.5	2015-2019	**-**	**-**	-	-	9.16	0.15
	Trade payables, unsecured			**5.73**	**0.09**	52.39	0.79	-	-
				5.73	**0.09**	52.39	0.79	9.16	0.15

As at 01 April 2015 - Security details

The hire purchase loans are secured by hypothecation of assets (vehicles) procured under the hire purchase scheme. These loans are repayable in 48/60 equal monthly instalments from the date of disbursement.

	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Total non-current financial liabilities	**5.73**	**0.09**	52.39	0.79	2,184.16	35.11

		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
17.	**Provisions (non-current)**						
	Provision for gratuity	**26.36**	**0.41**	23.41	0.35	17.05	0.27
	Provision for leave encashment and other retirals	**110.20**	**1.71**	110.00	1.67	99.78	1.60
		136.56	**2.12**	133.41	2.02	116.83	1.87
18.	**Other non-current liabilities**						
	Unearned revenue	**13.94**	**0.22**	3.68	0.06	-	-

19. Financial liabilities (current)

19.1	**Borrowings**	Effective Interest Rate % p.a.	Maturity date	**As at 31.03.2017 Rs. Mln.**	**USD Mln.**	As at 31.03.2016 Rs. Mln.	USD Mln.	As at 01.04.2015 Rs. Mln.	USD Mln.
	Loans repayable on demand from Banks, secured								
	Axis Bank Ltd. - Cash credit	9.5	On Demand	**50.00**	**0.78**	-	-	-	-
	IDBI Bank Ltd. - Cash credit	12.5	On Demand	**-**	**-**			10.00	0.16
	Loans from Bank, unsecured								
	Deutsche Bank AG - Rupee Packing Credit	9.75	21 Sep 2015	**-**	**-**	-	-	250.00	4.02
	Loans from other parties, unsecured								
	Tata Capital Financial Services Ltd.	11.3	28 Aug 2015	**-**	**-**	-	-	100.00	1.61
	Aditya Birla Finance Ltd.	11.9	18 Apr 2015	**-**	**-**	-	-	180.00	2.89
				50.00	**0.78**	-	-	540.00	8.68

As at 31 March 2017 - Security details

Axis Bank Ltd. - Cash credit - This loan is secured by pari passu first charge on the current assets, both present and future and unemcumbered fixed assets (Property, plant and equipment excluding building) of the Company.

As at 01 April 2015 - Security details

IDBI Bank Ltd. - Cash credit - This loan is secured by pari passu first charge on the Company's receivables (Trade receivables), both present and future and is supported by corporare guarantees from Ramco Industries Limited.

Loans from Deutsche Bank AG, Tata Capital Financial Services Ltd. and Aditya Birla Finance Ltd. are unsecured and supported by corporare guarantees from The Ramco Cements Limited.

19.2	**Trade payables**						
	Trade payables	**490.19**	**7.61**	376.20	5.71	254.63	4.09
	Trade payables are non-interest bearing and are normally settled on 30 to 60 days						
19.3	**Other financial liabilities**						
	Interest accrued	**-**	**-**	-	-	0.14	-
	Capital creditors	**8.78**	**0.14**	11.06	0.17	5.41	0.09
	Current maturity of long term loans (refer note no.19.3.1)	**-**	**-**	-	-	251.50	4.04
	Rental advances	**0.22**	**-**	0.12	-	0.13	-
	Employee welfare payables	**10.03**	**0.16**	3.80	0.06	4.20	0.07
		19.03	**0.30**	14.98	0.23	261.38	4.20
	Total current financial liabilities	**559.22**	**8.69**	391.18	5.94	1,056.01	16.97

19.3.1 Current maturity of long term loans	Effective Interest Rate % p.a.	Maturity date	**As at 31.03.2017**		As at 31.03.2016		As at 01.04.2015	
			Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Loan from Banks, unsecured								
Kotak Mahindra Bank Ltd.	11.3	02 Mar 2016	**-**	**-**	-	-	75.00	1.21
ICICI Bank Ltd.	11.75	26 Mar 2016	**-**	**-**	-	-	170.00	2.73
Hire purchase loans, secured								
Hire purchase loans from non Banks	10.25-11.5	2015-2019	**-**	**-**	-	-	6.50	0.10
			-	**-**	-	-	251.50	4.04

As at 01 April 2015 - Security details

All the loans from Banks are unsecured and supported by corporate guarantees from The Ramco Cements Limited.

The hire purchase loans are secured by hypothecation of assets (vehicles) procured under the hire purchase scheme. These loans are repayable in 48/60 equal monthly instalments from the date of disbursement.

	As at 31.03.2017 Rs. Mln.	**USD Mln.**	As at 31.03.2016 Rs. Mln.	USD Mln.	As at 01.04.2015 Rs. Mln.	USD Mln.
20. Provisions (current)						
Provision for gratuity	**3.35**	**0.05**	-	-	-	-
Provision for leave encashment and other retirals	**3.48**	**0.05**	3.14	0.05	2.30	0.04
	6.83	**0.10**	3.14	0.05	2.30	0.04
21. Other current liabilities						
Unearned revenue	**408.67**	**6.34**	481.51	7.31	396.76	6.38
Statutory dues payable	**77.03**	**1.19**	63.77	0.97	46.77	0.75
Expenses payable	**135.36**	**2.10**	205.94	3.12	149.55	2.40
Advance from customers	**6.92**	**0.11**	14.62	0.22	14.32	0.23
	627.98	**9.74**	765.84	11.62	607.40	9.76

Advance from customers are received in the normal course of business and adjusted against subsequent supplies / services.

	Year ended 31.03.2017		Year ended 31.03.2016	
	Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.
22. Revenue from operations				
Software revenue (License & Services)	**4,430.23**	**66.32**	4,399.63	67.75
Value added resale software and hardware materials	**61.54**	**0.92**	9.82	0.15
	4,491.77	**67.24**	4,409.45	67.90
23. Finance income				
Interest income	**55.75**	**0.83**	12.23	0.19

		Year ended 31.03.2017		Year ended 31.03.2016	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.
24.	**Other income**				
	Government grant	**41.83**	**0.63**	4.52	0.07
	Profit on sale of property, plant and equipments	**0.01**	**-**	0.03	-
	Other income	**3.85**	**0.06**	7.79	0.12
		45.69	**0.69**	12.34	0.19

Government grant represents the grant from Economic Development Board of Singapore for a three-year period from Sep 2015 to Aug 2018, under the Research Incentive Scheme, for the establishment of Ramco Aviation Design & Analytics Research Centre, by way of reimbursement of a portion of employee benefits expense and cost of licensing / technology acquisitions for the project.

This is treated as a “grant related to income” under Ind AS 20. Accordingly, the grant is shown under “other income” and the expenses related to this are shown under respective expense heads.

25.	**Changes in inventories of finished goods, stock-in-process and stock-in-trade**				
	Opening stock	**2.22**	**0.03**	0.09	-
	Closing stock	**0.16**	**-**	2.22	0.03
		2.06	**0.03**	(2.13)	(0.03)

26.	**Employee benefits expense**				
	Salaries, wages and bonus	**1,762.17**	**26.38**	1,645.90	25.35
	Share based payment to employees	**105.90**	**1.59**	179.50	2.76
	Provident fund and other contributions	**67.11**	**1.00**	58.50	0.90
	Gratuity and other retrials	**58.25**	**0.87**	47.31	0.73
	Staff welfare	**66.90**	**1.00**	55.60	0.86
		2,060.33	**30.84**	1,986.81	30.60

The defined benefit plan (Gratuity) details in respect of the Company is provided for in the standalone financials note no.26.1. Obligations in respect of other subsidiaries wherever applicable under the local laws are accrued at actual and they are unfunded. Group has represented these values in the carrying amount as appearing in their Balance Sheet as there is no requirement for actuarial valuation in the respective countries.

27.	**Finance Costs**				
	Interest on loans	**10.08**	**0.15**	34.92	0.53
	Other finance cost	**3.27**	**0.05**	1.04	0.02
		13.35	**0.20**	35.96	0.55

28.	**Depreciation and amortization expense**				
	Depreciation of tangible assets	**59.48**	**0.89**	57.10	0.88
	Amortization of intangible assets	**418.12**	**6.26**	404.56	6.23
		477.60	**7.15**	461.66	7.11

		Year ended 31.03.2017		Year ended 31.03.2016	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.
29.	**Other Expense**				
	Advertisement and sales promotion	**199.68**	**2.99**	236.32	3.64
	Bank charges	**12.99**	**0.19**	4.69	0.07
	Bad and doubtful debts & advances	**258.25**	**3.87**	169.29	2.61
	Consultancy charges	**89.02**	**1.33**	82.84	1.28
	Corporate social responsibility expenditure	**0.90**	**0.01**	-	-
	Foreign exchange fluctuation, net	**112.50**	**1.68**	(62.33)	(0.96)
	Insurance	**14.58**	**0.22**	11.96	0.18
	Loss on sale of property, plant and equipment	**1.19**	**0.02**	1.89	0.03
	Office maintenance	**30.19**	**0.45**	20.84	0.32
	Outsourcing costs	**329.85**	**4.94**	186.73	2.88
	Provision for doubtful debts	**194.32**	**2.91**	19.75	0.30
	Power & fuel	**30.45**	**0.46**	13.92	0.21
	Printing & stationery	**4.50**	**0.07**	4.82	0.07
	Postage, telephone and communication	**86.69**	**1.30**	74.39	1.15
	Rent	**318.13**	**4.76**	256.95	3.96
	Repairs- building	**20.96**	**0.31**	16.73	0.26
	Repairs- plant and machinery	**30.96**	**0.46**	29.71	0.46
	Repairs- others	**23.21**	**0.35**	17.68	0.27
	Rates and taxes	**54.52**	**0.82**	18.41	0.28
	Sales commission and other selling expenses	**115.70**	**1.73**	152.96	2.36
	Software subscription and maintenance	**1.76**	**0.03**	2.91	0.05
	Travelling and conveyance	**360.01**	**5.39**	319.17	4.91
	Unfructified patent expenses	**0.38**	**0.01**	0.08	-
	Miscellaneous expenses	**19.52**	**0.29**	19.72	0.30
		2,310.26	**34.59**	1,599.43	24.63

30. First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in these financial statements have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 01 April 2015 (The Group's date of transition). In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The Balance Sheet as on the date of transition has been prepared in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. All applicable Ind AS were applied consistently and retrospectively in preparation of the first Ind AS Financial Statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under Ind AS 101.

An explanation / reconciliation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance is set out in note no. 30.1.

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS mandatory exceptions

1.1 Estimates

The estimates at 01 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Fair valuation of derivative instruments
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 01 April 2015, the date of transition to Ind AS and as of 31 March 2016.

1.2 De-recognition of financial assets and liabilities

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

1.3 Hedge accounting

The Group has measured derivatives at fair value eliminating all gains and losses arising on derivatives and does not have any hedging relationship as on the transition date.

1.4 Classification and measurement of financial assets

The Group has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and classified accordingly.

1.5 Impairment of financial assets

The Group has applied the impairment requirement under Ind AS 109 retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.

1.6 Non-controlling interests

The Group has applied the requirement of attributing the profit or loss and each component of other comprehensive income to the owners of the Parent and to the non-controlling interests, this results in the non-controlling interests having a deficit balance, prospectively.

2. Ind AS optional exemptions

2.1 Share based payments

The Group has elected to apply Ind AS 102 Share-based payment to equity instruments in respect of the unvested options as on the transition date.

2.2 Deemed cost

The Group has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition.

2.3 Cumulative translation differences

The Group had elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date in respect of Rs. and USD balances.

2.4 Investment in associate

The Group has opted to measure its investment in associate as per the previous GAAP carrying amount as at the transition date.

30.1. Reconciliations

The following reconciliations for consolidation provide the effect of transition to IND AS from Indian GAAP in accordance with Ind AS101.

1. Equity as at 01 April 2015 and 31 March 2016
2. Net profit for the year ended 31 March 2016

30.1.1 Reconciliation of consolidated equity as previously reported under Indian GAAP to Ind AS

Particulars	Sub-note ref.	As at 01 April 2015 (Date of transition to Ind-AS)						As at 31 March 2016					
		Rs. Mln.			USD Mln.			Rs. Mln.			USD Mln.		
		Indian GAAP	Adjust-ments	Ind AS	Indian GAAP	Adjust-ments	Ind AS	Indian GAAP	Adjust-ments	Ind AS	Indian GAAP	Adjust-ments	Ind AS
ASSETS													
Non-current assets													
Property, plant and equipment		139.12	-	139.12	2.24	-	2.24	161.25	-	161.25	2.45	-	2.45
Goodwill *		994.51	(994.51)	-	15.98	(15.98)	-	994.51	(994.51)	-	15.09	(15.09)	-
Intangible assets		2,601.07	-	2,601.07	41.80	-	41.80	2,571.50	-	2,571.50	39.01	-	39.01
Investment in associate		5.56	-	5.56	0.09	-	0.09	9.59	-	9.59	0.15	-	0.15
Financial assets													
Investment		-	-	-	-	-	-	15.00	-	15.00	0.22	-	0.22
Trade receivables		10.61	-	10.61	0.17	-	0.17	49.23	-	49.23	0.75	-	0.75
Other financial assets	1.a.	94.64	(10.21)	84.43	1.52	(0.16)	1.36	547.39	(43.99)	503.40	8.24	(0.60)	7.64
Tax assets (net)		185.17	-	185.17	2.98	-	2.98	219.49	-	219.49	3.33	-	3.33
Other non-current assets		5.61	-	5.61	0.09	-	0.09	3.56	-	3.56	0.11	-	0.11
		4,036.29	**(1,004.72)**	**3,031.57**	**64.87**	**(16.14)**	**48.73**	**4,571.52**	**(1,038.50)**	**3,533.02**	**69.35**	**(15.69)**	**53.66**
Current assets													
Inventories		0.09	-	0.09	-	-	-	2.22	-	2.22	0.03	-	0.03
Financial assets													
Trade receivables		1,291.70	-	1,291.70	20.76	-	20.76	1,433.90	-	1,433.90	21.75	-	21.75
Cash and cash equivalents		104.68	-	104.68	1.68	-	1.68	69.38	-	69.38	1.06	-	1.06
Other financial assets	1.a.	980.15	(9.20)	970.95	15.75	(0.15)	15.60	1,458.66	(33.93)	1,424.73	22.19	(0.58)	21.61
Tax Assets (Net)		-	-	-	-	-	-	65.14	-	65.14	0.99	-	0.99
Other current assets		111.05	-	111.05	1.79	-	1.79	72.91	-	72.91	1.04	-	1.04
		2,487.67	**(9.20)**	**2,478.47**	**39.98**	**(0.15)**	**39.83**	**3,102.21**	**(33.93)**	**3,068.28**	**47.06**	**(0.58)**	**46.48**
Total Assets		**6,523.96**	**(1,013.92)**	**5,510.04**	**104.85**	**(16.29)**	**88.56**	**7,673.73**	**(1,072.43)**	**6,601.30**	**116.41**	**(16.27)**	**100.14**
EQUITY AND LIABILITIES													
Equity													
Equity share capital		244.39	-	244.39	5.08	-	5.08	300.26	-	300.26	5.96	-	5.96
Other equity													
Share application money pending allotment		0.07	-	0.07	-	-	-	0.70	-	0.70	0.01	-	0.01
Securities premium	2	3,162.46	-	3,162.46	65.76	-	65.76	6,351.15	14.73	6,365.88	116.14	0.22	116.36
Currency translation reserve	3	103.84	(103.84)	-	(10.38)	10.38	-	108.32	(108.07)	0.25	(14.75)	11.25	(3.50)
Employee stock options outstanding	2	56.37	96.70	153.07	0.92	1.55	2.47	108.23	182.73	290.96	1.73	2.88	4.61
Retained earnings		(1,039.10)	(1,006.78)	(2,045.88)	(20.76)	(28.22)	(48.98)	(647.41)	(1,161.83)	(1,809.24)	(14.72)	(30.62)	(45.34)
Equity attributable to equity holders of the parent		2,528.03	(1,013.92)	1,514.11	40.62	(16.29)	24.33	6,221.25	(1,072.44)	5,148.81	94.37	(16.27)	78.10
Non-controlling interests	1.c.	2.77	-	2.77	0.05	-	0.05	3.04	0.01	3.05	0.05	-	0.05
Total equity		**2,530.80**	**(1,013.92)**	**1,516.88**	**40.67**	**(16.29)**	**24.38**	**6,224.29**	**(1,072.43)**	**5,151.86**	**94.42**	**(16.27)**	**78.15**
Liabilities													
Non-current liabilities													
Financial liabilities													
Borrowings		2,175.00	-	2,175.00	34.96	-	34.96	-	-	-	-	-	-
Other financial liabilities		9.16	-	9.16	0.15	-	0.15	52.39	-	52.39	0.79	-	0.79
Deferred tax liabilities (net)		3.10	-	3.10	0.05	-	0.05	5.06	-	5.06	0.08	-	0.08
Provisions		116.83	-	116.83	1.87	-	1.87	133.41	-	133.41	2.02	-	2.02
Other non-current liabilities		-	-	-	-	-	-	3.68	-	3.68	0.06	-	0.06
		2,304.09	**-**	**2,304.09**	**37.03**	**-**	**37.03**	**194.54**	**-**	**194.54**	**2.95**	**-**	**2.95**
Current liabilities													
Financial liabilities													
Borrowings		540.00	-	540.00	8.68	-	8.68	-	-	-	-	-	-
Trade payables		254.63	-	254.63	4.09	-	4.09	376.20	-	376.20	5.71	-	5.71
Other financial liabilities		261.38	-	261.38	4.20	-	4.20	14.98	-	14.98	0.23	-	0.23
Provisions		2.30	-	2.30	0.04	-	0.04	3.14	-	3.14	0.05	-	0.05
Liabilities for current tax		23.36	-	23.36	0.38	-	0.38	94.74	-	94.74	1.43	-	1.43
Other current liabilities		607.40	-	607.40	9.76	-	9.76	765.84	-	765.84	11.62	-	11.62
		1,689.07	**-**	**1,689.07**	**27.15**	**-**	**27.15**	**1,254.90**	**-**	**1,254.90**	**19.04**	**-**	**19.04**
Total liabilities		**3,993.16**	**-**	**3,993.16**	**64.18**	**-**	**64.18**	**1,449.44**	**-**	**1,449.44**	**21.99**	**-**	**21.99**
Total equity and liabilities		**6,523.96**	**(1,013.92)**	**5,510.04**	**104.85**	**(16.29)**	**88.56**	**7,673.73**	**(1,072.43)**	**6,601.30**	**116.41**	**(16.27)**	**100.14**

30.1.2 Reconciliation of consolidated profit and loss as previously reported under Indian GAAP to Ind AS for the year ended 31 March 2016

Particulars		**Rs. Mln.**			**USD Mln.**		
	Sub-note ref.	**Indian GAAP**	**Adjust-ments**	**Ind-AS**	**Indian GAAP**	**Adjust-ments**	**Ind-AS**
Income							
Revenue from operations	1.b.	4,476.96	(67.51)	4,409.45	68.94	(1.04)	67.90
Finance income	1.b.	0.29	11.94	12.23	-	0.19	0.19
Other income	5 & 2.b.	66.83	(54.49)	12.34	1.03	(0.84)	0.19
Total income		**4,544.08**	**(110.06)**	**4,434.02**	**69.97**	**(1.69)**	**68.28**
Expenses							
Purchase of stock-in-trade		25.55	-	25.55	0.39	-	0.39
Changes in inventories of stock-in-trade		(2.13)	-	(2.13)	(0.03)	-	(0.03)
Employee benefits expense	2 & 4.b.	1,886.32	100.49	1,986.81	29.05	1.55	30.60
Finance costs		35.96	-	35.96	0.55	-	0.55
Depreciation and amortisation expense		461.66	-	461.66	7.11	-	7.11
Other expenses	4.a. & 5	1,659.73	(60.30)	1,599.43	25.56	(0.93)	24.63
Total expenses		**4,067.09**	**40.19**	**4,107.28**	**62.63**	**0.62**	**63.25**
Profit / (loss) before share of Profit of an associate		**476.99**	**(150.25)**	**326.74**	**7.34**	**(2.31)**	**5.03**
Share of Profit of an associate		4.03	-	4.03	0.06	-	0.06
Profit / (loss) before tax		**481.02**	**(150.25)**	**330.77**	**7.40**	**(2.31)**	**5.09**
Income tax expense							
Current tax (includes MAT)		89.05	-	89.05	1.37	-	1.37
Profit for the year		**391.97**	**(150.25)**	**241.72**	**6.03**	**(2.31)**	**3.72**
Non-controlling interest		(0.27)	(0.01)	(0.28)	-	-	-
Income tax relating to items above		-	-	-	-	-	-
Net Profit / (loss) for the year		**391.70**	**(150.26)**	**241.44**	**6.03**	**(2.31)**	**3.72**
Other Comprehensive income							
(i) Items that will not be reclassified subsequently to profit or loss :							
Remeasurement gains / (losses) on defined benefit obligations	4	-	(4.80)	(4.80)	-	(0.07)	(0.07)
Income tax relating to items above		-	-	-	-	-	-
		-	**(4.80)**	**(4.80)**	**-**	**(0.07)**	**(0.07)**
(ii) Items that may be reclassified subsequently to profit or loss :							
Exchange differences on translation of foreign operations	4	-	0.25	0.25	-	(3.50)	(3.50)
Income tax relating to items above		-	-	-	-	-	-
		-	**0.25**	**0.25**	**-**	**(3.50)**	**(3.50)**
Other comprehensive income for the year (i + ii)		-	(4.55)	(4.55)	-	(3.57)	(3.57)
Total comprehensive income for the year, net of tax		**391.97**	**(154.80)**	**237.17**	**6.03**	**(5.88)**	**0.15**
Profit / (loss) attributable to:							
Shareholders of the Company		391.70	(150.26)	241.44	6.03	(2.31)	3.72
Non-controlling interests	1.c.	0.27	0.01	0.28	-	-	-
Total comprehensive income attributable to:							
Shareholders of the Company		391.70	(154.81)	236.89	6.03	(5.88)	0.15
Non-controlling interests	1.c.	0.27	0.01	0.28	-	-	-

Sub note

1. Imputed interest in respect of customer contracts having extended credit periods

   Imputed interest in respect of customer contracts having extended credit period was not earlier seggregated as interest income, but was shown as part of the revenue from operations. The same has been worked out and dealt with as below:

1.a. Imputed net interest of Rs.19.41 Mln. USD 0.31 Mln. in respect of reveunes accrued till 01 April 2015 has been reduced from the opening retained earnings on transition date. The net interest of Rs.58.51 Mln. USD 0.87 Mln. for the year 2015-16 (impact at the closing conversion rate) has been reduced from the revenue from operations which resulted in cumulative reduction of Rs.77.92 Mln. USD 1.18 Mln. from retained earnings as at 31 March 2016.

1.b. Imputed interest of Rs.67.51 Mln. USD 1.04 Mln. in respect of revenues accrued in the financial year 2015-16 has been reduced from revenue from operations. The imputed interest amounting to Rs.11.94 Mln. USD 0.19 Mln., attributable to the financial year 2015-16 has been accrued and shown under finance income.

1.c. Effect in non-controlling interests on account of the above changes.

2. Share based payments

   The Company has issued various stock option schemes to the option grantees. As required under Ind AS the unvested stock options have now been fair valued, instead of intrinsic value accounting made under the previous Indian GAAP. The difference has been dealt with as below:

2.a. The differential cost of fair value amounting to Rs.96.70 Mln. USD 1.55 Mln. has been reduced from the opening retained earnings on transition date. The differntial cost of fair value for the financial year 2015-16 amounting to Rs.100.77 Mln. USD 1.55 Mln. has been added off to employee benefits expense which resulted in cumulative reduction of Rs.197.47 Mln. USD 3.10 Mln. from retained earnings as at 31 March 2016. During the financial year 2015-16 Rs.14.73 Mln. USD 0.22 Mln., has been transferred from to securities premium account from stock options outstanding account relating to the stock options exercised by the option grantees.

2.b. Grant income accrued during the year 2015-16 earlier netted off with the employee benefits expenses amounting to Rs.4.52 Mln. USD 0.07 Mln. has been now taken under other income.

3. Currency translation reserve

   The Group had elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date in respect of Rs. and USD balances.There is no impact on total equity as a result of this adjustment.

4. Other comprehensive income

   Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. The following reclassifications have been now made:

4.a. Foreign exchange fluctuation expense of Rs.1.28 Mln. USD 0.02 Mln. for the financial year 2015-16 pertaining to foreign branches, earlier considered under statement of profit and loss has now been grouped under OCI, on account of change in functional currency of foreign operation and shown as currency transalation reserve in the balance sheet.

4.b. Under Indian GAAP including actuarial gains and losses relating to defined benefit obligations were charged to statement of profit and loss. Under Ind AS, remeasurement such gains and losses are recognised under OCI. Thus the employee benefits expense cost has been reduced by Rs.4.80 Mln. USD 0.07 Mln. and recognized in the OCI during the financial year 2015-16.

5. Recovery of expenses from customers

   Under Indian GAAP, the recovery of expenses from customers were presented under other income. Under Ind AS, the same is required to be netted off with the relevant expenditure. Thus Rs.59.01 Mln. USD 0.91 Mln. has been reduced from other income and netted off with other expenses during the financial year 2015-16.

   * Goodwill impairment

   Goodwill on consolidation arose on account of financial restructuring by way of capital reduction, implemented by the overseas subsidiaries in USA and Switzerland in the financial year 2004-05. Since the investments in the subsidiaries are long term in nature, no provision for diminution in the value of investment was made. Now in the consolidated financials, the carrying amount of Goodwill has been reduced from the opening consolidated retained earnings as at 01 April 2015.

31. Related party transactions

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Key Managerial Personnel (KMP), including KMP under Companies Act, 2013

1. P R Ramasubrahmaneya Rajha, Chairman
2. P R Venketrama Raja, Vice Chairman & Managing Director
3. Virender Aggarwal, Chief Executive Officer
4. R Ravi Kula Chandran, Chief Financial Offier
5. G Karthikeyan, Company Secretary (was on employment till 05 December 2016)
6. M M Venkatachalam, Independent Director
7. V Jagadisan, Independent Director
8. A V Dharmakrishnan, Non-Executive Non-Independent Director
9. R S Agarwal, Independent Director
10. Soundara Kumar, Independent Director

b. Relatives of KMP

1. P R Venketrama Raja, Son of P R Ramasubrahmaneya Rajha
2. R Sudarsanam, Spouse of P R Ramasubrahmaneya Rajha
3. S Saradha Deepa, Daughter of P R Ramasubrahmaneya Rajha
4. R Nalina Ramalakshmi, Daughter of P R Ramasubrahmaneya Rajha
5. P V Nirmala, Spouse of P R Venketrama Raja
6. B Srisandhya Raju, Daughter of P R Venketrama Raja
7. P V Abinav Ramasubramaniam Raja, Son of P R Venketrama Raja

c. Enterprises over which the above persons exercise significant influence and with which the Company has transactions during the year

1. Rajapalayam Mills Limited
2. The Ramco Cements Limited
3. Ramco Industries Limited
4. The Ramaraju Surgical Cotton Mills Limited
5. Sri Vishnu Shankar Mills Limited
6. Sandhya Spinning Mill Limited
7. Thanjavur Spinning Mill Limited
8. Rajapalayam Spintex (A division of Rajapalayam Mills Ltd)
9. Sri Harini Textiles Limited
10. Swarna Boomi Estate
11. Thanga Vilas Estate
12. Rajapalayam Textile Limited
13. Shri Harini Media Limited
14. Sudarsanam Estate
15. Shri Abhinava Vidya Theertha Seva Trust
16. Smt. Lingammal Ramaraju Shastra Prathista Trust
17. The Ramco Cements Limited Educational and Charitable Trust
18. Gowrihouse Metal Works
19. JKR Enterprises Limited
20. Gowrishankar Screws
21. P.A.C.R Sethuramammal Charity Trust
22. P.A.C.R. Sethuramammal Charities
23. Rajapalayam Spinners Limited
24. Ontime Industrial Services Limited
25. Madurai Trans Carrier Limited
26. Ramco Welfare Trust

d. Associate

1. City Works Pty. Ltd., South Africa

The Group's transactions with the above related parties are given below:

Particulars	Transactions during 2016-17		Outstanding as at 31.03.2017		Transactions during 2015-16		Outstanding as at 31.03.2016	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Income from Sale of goods & Services								
The Ramco Cements Limited	**210.91**	**3.16**	**0.16**	**-**	154.87	2.38	16.34	0.25
Ramco Industries Limited	**62.55**	**0.94**	**-**	**-**	5.21	0.08	0.01	-
Rajapalayam Mills Limited	**2.33**	**0.03**	**0.20**	**-**	1.92	0.03	0.45	0.01
Rajapalayam Textile Limited	**0.30**	**-**	**-**	**-**	0.25	-	0.07	-
Sri Vishnu Shankar Mills Limited	**1.14**	**0.02**	**-**	**-**	0.94	0.01	0.05	-
Sandhya Spinning Mill Limited	**1.00**	**0.01**	**-**	**-**	0.83	0.01	-	-
Thanjavur Spinning Mill Limited	**0.29**	**-**	**0.07**	**-**	0.26	-	0.01	-
Sri Harini Textiles Limited	**0.17**	**-**	**-**	**-**	0.14	-	0.04	-
The Ramaraju Surgical Cotton Mills Limited	**1.39**	**0.02**	**0.02**	**-**	1.24	0.02	0.39	0.01
Sudarsanam Estate	**0.22**	**-**	**0.19**	**-**	0.21	-	0.06	-
Swrna Boomi Estate	**0.14**	**-**	**-**	**-**	0.12	-	0.05	-
Thanga Vilas Estate	**0.15**	**-**	**-**	**-**	0.16	-	0.06	-
Ramco Welfare Trust	**0.06**	**-**	**-**	**-**	0.07	-	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	**0.06**	**-**	**0.01**	**-**	0.07	-	0.02	-
The Ramco Cements Limited Educational and Charitable Trust	**0.26**	**-**	**0.07**	**-**	0.38	0.01	0.04	-
Gowrihouse Metal Works	**0.18**	**-**	**-**	**-**	0.18	-	-	-
Shri Harini Media Limited	**-**	**-**	**-**	**-**	0.21	-	-	-
Gowrishankar Screws	**0.22**	**-**	**-**	**-**	0.21	-	-	-
P.A.C.R Sethuramammal Charity Trust	**0.06**	**-**	**0.07**	**-**	0.07	-	0.04	-
P.A.C.R. Sethuramammal Charities	**0.32**	**-**	**-**	**-**	0.37	0.01	0.03	-
JKR Enterprises Limited	**0.14**	**-**	**-**	**-**	0.14	-	0.01	-
Ontime Industrial Services Limited	**11.50**	**0.17**	**-**	**-**	-	-	-	-
Madurai Trans Carrier Limited	**0.95**	**0.01**	**0.95**	**0.01**	-	-	-	-
City Works Pty. Ltd., South Africa	**193.62**	**2.90**	**24.07**	**0.37**	149.73	2.31	13.76	0.21
Rent - Expense								
The Ramco Cements Limited	**81.50**	**1.22**	**-**	**-**	80.79	1.24	-	-
Rajapalayam Mills Limited	**0.07**	**-**	**-**	**-**	0.07	-	-	-
Sitting Fees								
P R Ramasubrahmaneya Rajha	**0.06**	**-**	**-**	**-**	0.08	-	-	-
M M Venkatachalam	**0.14**	**-**	**-**	**-**	0.14	-	-	-
V Jagadisan	**0.14**	**-**	**-**	**-**	0.16	-	-	-
A V Dharmakrishnan	**0.14**	**-**	**-**	**-**	0.14	-	-	-
R S Agarwal	**0.08**	**-**	**-**	**-**	0.09	-	-	-
Soundara Kumar	**0.08**	**-**	**-**	**-**	0.08	-	-	-
CSR Contribution								
Shri Abhinava Vidya Theertha Seva Trust	**0.90**	**0.01**	**-**	**-**	-	-	-	-

Particulars	Transactions during 2016-17		Outstanding as at 31.03.2017		Transactions during 2015-16		Outstanding as at 31.03.2016	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fees for professional services								
V Jagadisan	**0.15**	**-**	**-**	**-**	0.34	0.01	-	-
Remuneration								
P R Venketrama Raja	**1.17**	**0.02**	**-**	**-**	1.17	0.02	-	-
Virender Aggarwal	**98.25**	**1.47**	**-**	**-**	82.96	1.28	-	-
R Ravi Kula Chandran	**9.49**	**0.14**	**-**	**-**	7.35	0.11	-	-
G Karthikeyan	**0.86**	**0.01**	**-**	**-**	1.47	0.02	-	-
Application money received for exercise of stock options								
Virender Aggarwal	**8.28**	**0.12**	**-**	**-**	-	-	-	-
R Ravi Kula Chandran	**2.39**	**0.04**	**-**	**-**	-	-	-	-
A V Dharmakrishnan	**10.64**	**0.17**	**-**	**-**	-	-	-	-

Notes:

a) Details of corporate guarantees given by the Parent are given in note no.34.

b) Details of corporate guarantees availed from related parties are given in note nos.16 and 19.

c) The above figures include Service Tax / VAT / CST as applicable.

d) The transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free. The Group has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are 30 to 60 days.

e) 2,500 options granted during the year under employees stock option scheme to G Karthikeyan.

32. The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

33. Capital management

For the purpose of the Group's capital management, capital means the Total Equity as per the consolidated Balance Sheet. The primary objective of the Group's capital management is to maximise the shareholder's wealth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is Net Debt divided by the Total Equity.

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings	**50.00**	**0.78**	-	-	2,715.00	43.64
Long term and current maturities of long term loans	**-**	**-**	-	-	260.66	4.19
Less: Cash and cash equivalents	**80.94**	**1.26**	69.38	1.06	104.68	1.68
Net Debt (A)	**(30.94)**	**(0.48)**	(69.38)	(1.06)	2,870.98	46.14
Equity Share Capital	**304.41**	**6.02**	300.26	5.96	244.39	5.08
Other Equity	**5,097.82**	**77.79**	4,848.55	72.14	1,269.72	19.25
Total Equity (B)	**5,402.23**	**83.81**	5,148.81	78.10	1,514.11	24.33
Debt/ Equity (A/B)	**(0.57)%**		(1.35)%		190%	

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans / borrowing. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31 March 2017, 31 March 2016 and 01 April 2015.

34. Contingent liabilities and commitments

		As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
	Contingent Liabilities						
a)	**Bank Guarantees**						
	i) issued by the Bankers to the Parent Company (as at 31.03.2017 including Rs.57.66 Mln. USD 0.89 Mln., as at 31.03.2016 including Rs.29.81 Mln. USD 0.45 Mln., in favour of a banker to the Dubai subsidiary, Ramco Systems FZ-LLC)	**97.58**	**1.51**	62.78	0.95	34.03	0.55
	ii) issued by the Banker to the Dubai subsidiary, Ramco Systems FZ-LLC	**5.06**	**0.08**	10.03	0.15	-	-
b)	**Corporate Guarantee issued in favour of customer(s) of**						
	i) the Malaysian subsidiary, Ramco Systems Sdn. Bhd.	**32.23**	**0.50**	32.96	0.50	31.11	0.50
	ii) the Australian subsidiary, Ramco Systems Australia Pty Ltd.	**122.45**	**1.90**	125.25	1.90	-	-
	iii) the Parent Company	**-**	-	-	-	6.60	0.11
c)	**Claims against the Company not acknowledged as debts**						
i)	Disputed Tamil Nadu VAT demand						
	i) Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	**75.86**	**1.18**	75.86	1.15	75.86	1.22
	ii) Relating to 2014-15 to 2016-17 in respect of which no demand notice has been received	**24.87**	**0.39**	22.41	0.34	12.09	0.19
ii)	Disputed Sales tax demand - pending before the first appellate authority – Year 2006-07	**-**	**-**	0.96	0.01	0.96	0.02
iii)	Disputed Service tax demand – pending before the first appellate authority – Years 2009-10 to 2014-15	**4.58**	**0.07**	4.83	0.07	-	-
iv)	Income Tax – Pending before the first appellate authority AY:2007-08 to 2011-12	**-**	**-**	0.01	-	0.01	-
v)	Wealth Tax – Pending before the first appellate authority AY:2005-06 to 2007-08	**-**	**-**	-	-	2.31	0.04
vi)	Other litigations	**17.53**	**0.27**	24.20	0.37	24.55	0.39
vii)	Disputed VAT demand – pending before the first appellate authority in Sudan	**0.27**	**-**	0.31	-	-	-
	Commitments						
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**7.03**	**0.11**	10.46	0.16	13.03	0.21

Note: The Company is engaged in development of software products, which are marketed by the Company and its overseas subsidiaries. The intellectual property rights are held by the Company. There are in-built warranties for performance and support. Claims which may arise out of these are not quantifiable and hence not provided for.

35. Financial risk management objectives and policies

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and thus established a risk management policy to identify and analyse the risks faced by the Group. The risk management systems are reviewed periodically. The Audit Committee of the Board overseas the compliance with the policy. The Internal Audit reviews the risk management controls and procedures and reports to the Audit Committee.

The Group's financial risks comprise of market risk, credit risk and liquidity risk.

A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

A.1 Interest rate risk

The Group has borrowed debt at variable rates to finance its operations, which exposes it to interest rate risk. The Group's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

Particulars	**31 March 2017**		31 March 2016		01 April 2015	
	Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fixed Rate Borrowing	**112.40**	**1.74**	313.58	4.76	2,867.10	46.08
Variable Rate Borrowing	**16.37**	**0.25**	17.42	0.26	47.74	0.77

1% change in interest rate in variable rate borrowing would impact the interest cost by Rs.0.12 Mln. USD 0.00 Mln. (2016: Rs.0.02 Mln. USD 0.00 Mln.)

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's transactions denominated in a foreign currency including trade receivables and unbilled revenues, trade payables.

The Group's exposure to foreign currency risk with respect to material currencies (un-hedged) as detailed below:

Currency	Trade and Other Receivables	Unbilled Revenue	Accounts Payable	Bank Balance
USD in Millions				
As at 31 March 2017	12.80	7.94	0.34	0.26
As at 31 March 2016	19.34	5.20	0.22	0.25
As at 01 April 2015	8.04	1.76	0.04	0.21
EUR in Millions				
As at 31 March 2017	0.08	0.40	0.14	0.05
As at 31 March 2016	0.16	0.20	0.14	0.06
As at 01 April 2015	0.30	0.03	0.03	0.07
GBP in Millions				
As at 31 March 2017	0.16	0.44	-	0.05
As at 31 March 2016	0.33	0.79	-	0.05
As at 01 April 2015	0.09	1.00	-	0.06

Foreign currency sensitivity

Foreign Currency	**31 March 2017**				31 March 2016			
	Rs. Mln.		**USD Mln.**		Rs. Mln.		USD Mln.	
	1% Increase	**1% decrease**	**1% Increase**	**1% decrease**	1% Increase	1% decrease	1% Increase	1% decrease
USD	**20.65**	**(20.65)**	**0.32**	**(0.32)**	24.57	(24.57)	0.37	(0.37)
EUR	**0.39**	**(0.39)**	**0.01**	**(0.01)**	0.28	(0.28)	-	-
GBP	**0.66**	**(0.66)**	**0.01**	**(0.01)**	1.16	(1.16)	0.01	(0.01)

B. Credit risk

Credit risk is the risk of financial loss to the Group, if the customer or counter party to the financial instruments fail to meet its contractual obligations and arises principally from the Group's receivables, treasury operations and other operations that are in the nature of lease.

Customer credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored.

B.1 Trade receivables

Trade receivable of the Group represents the dues from its customers which are exposed to credit risk. The number of customers and percentage out of total customers who owed more than Rs. 32.50 Mln. / USD 0.50 Mln. as at 31 March 2017: 5 customers accounted for 32%, as at 31 March 2016: 12 customers accounted for 57% and as at 01 April 2015: 13 customers accounted for 58% accordingly.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group and where there is a probability of default. The Group creates a provision based on Expected Credit Loss for trade receivables at the rate of 3% on total outstandings of the company and at the rate of 1% on total outstandings in the case of subsidiaries.

B.2 Unbilled revenue

Unbilled revenue of the Group are also exposed to risk in the event of the inability to bill the customer. The Group creates a provision based on Expected Credit Loss at the rate of 3% on total outstandings of the company and at the rate of 1% on total outstandings in the case of subsidiaries.

B.3 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties. The Group is presently exposed to counter party risk relating to deposits and investments made in mutual funds. The Group places its cash equivalents based on the creditworthiness of the financial institutions.

C. Liquidity risk

Liquidity risks are those risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Financial arrangements

The Group has access to the following undrawn borrowing facilities:

Particulars	**31 March 2017**		31 March 2016		01 April 2015	
	Rs. Mln.	**USD Mln.**	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Expiring within one year						
Bank Cash Credit / Overdraft / Packing Credit / WCDL	**587.20**	**9.11**	208.80	3.17	190.00	3.05
Term loans	**-**	**-**	-	-	130.00	2.09
Expiring beyond one year						
Term loans	**-**	**-**	-	-	-	-

Maturities of Financial Liabilities

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at 31 March 2017						
Borrowings	**50.00**	**0.78**	**-**	**-**	**50.00**	**0.78**
Contingent consideration	**79.47**	**1.23**	**18.12**	**0.28**	**97.59**	**1.51**
Trade and other payables	**509.22**	**7.91**	**5.73**	**0.09**	**514.95**	**8.00**
Total	**638.69**	**9.92**	**23.85**	**0.37**	**662.54**	**10.29**
As at 31 March 2016						
Borrowings	-	-	-	-	-	-
Contingent consideration	40.95	0.62	21.83	0.33	62.78	0.95
Trade and other payables	391.18	5.94	52.39	0.79	443.57	6.73
Total	432.13	6.56	74.22	1.12	506.35	7.68
As at 01 April 2015						
Borrowings	791.50	12.72	2,184.16	35.11	2,975.66	47.83
Contingent consideration	11.67	0.19	22.36	0.36	34.03	0.55
Trade and other payables	264.51	4.25	-	-	264.51	4.25
Total	1,067.68	17.16	2,206.52	35.47	3,274.20	52.63

36. The company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.

37. Statutory Group Information

Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs. Mln.	As % of consolidated profit and loss	Rs. Mln.	As % of consolidated other comprehensive income	Rs. Mln.	As % of total comprehensive income	Rs. Mln.
Parent, Indian:									
	Ramco Systems Limited, India								
	Balance as at 31 March 2017	**126.70%**	**6,851.24**	**475.15%**	**506.78**	**(305.15)%**	**16.94**	**518.00%**	**523.72**
	Balance as at 31 March 2016	119.86%	6,175.21	59.28%	143.143	133.67%	(6.08)	57.86%	137.05

Ramco Systems Limited, Consolidated Financials

Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs. Mln.	As % of consolidated profit and loss	Rs. Mln.	As % of consolidated other comprehensive income	Rs. Mln.	As % of total comprehensive income	Rs. Mln.
Subsidiaries, Foreign:									
1	**Ramco Systems Corporation, USA**								
	Balance as at 31 March 2017	**4.00%**	**216.41**	**79.32%**	**84.60**	**110.30%**	**(6.12)**	**77.61%**	**78.47**
	Balance as at 31 March 2016	2.68%	137.94	2.70%	6.52	(197.98)%	9.01	6.56%	15.53
2	**Ramco Systems Limited, Switzerland**								
	Balance as at 31 March 2017	**2.54%**	**137.24**	**13.56%**	**14.46**	**146.12%**	**(8.11)**	**6.28%**	**6.35**
	Balance as at 31 March 2016	2.54%	130.89	10.81%	26.09	(151.28)%	6.88	13.92%	32.98
3	**Ramco Systems Pte. Limited, Singapore**								
	Balance as at 31 March 2017	**(4.41)%**	**(238.60)**	**(357.10)%**	**(380.88)**	**(448.63)%**	**24.91**	**(352.08)%**	**(355.97)**
	Balance as at 31 March 2016	(4.45)%	(229.28)	(55.30)%	(133.51)	446.66%	(20.33)	(64.94)%	(153.84)
4	**Ramco Systems Sdn. Bhd., Malaysia**								
	Balance as at 31 March 2017	**1.77%**	**95.70**	**(19.99)%**	**(21.32)**	**301.38%**	**(16.73)**	**(37.64)%**	**(38.05)**
	Balance as at 31 March 2016	2.60%	133.75	22.94%	55.38	67.74%	(3.08)	22.08%	52.30
5	**RSL Enterprise Solutions (Pty) Limited, South Africa**								
	Balance as at 31 March 2017	**0.02%**	**0.82**	**16.67%**	**17.78**	**(7.64)%**	**0.42**	**18.01%**	**18.20**
	Balance as at 31 March 2016	(0.34)%	(17.38)	4.38%	10.57	33.07%	(1.50)	3.83%	9.06
6	**Ramco Systems Canada Inc., Canada**								
	Balance as at 31 March 2017	**0.18%**	**9.55**	**1.49%**	**1.59**	**13.57%**	**(0.75)**	**0.83%**	**0.84**
	Balance as at 31 March 2016	0.17%	8.71	1.37%	3.31	(3.90)%	0.18	1.47%	3.49
7	**Ramco Systems FZ-LLC, Dubai**								
	Balance as at 31 March 2017	**6.20%**	**335.23**	**60.76%**	**64.81**	**211.08%**	**(11.72)**	**52.51%**	**53.09**
	Balance as at 31 March 2016	5.48%	282.14	43.16%	104.21	(292.58)%	13.31	49.61%	117.53
8	**RSL Software Company Ltd, Sudan**								
	Balance as at 31 March 2017	**(0.09)%**	**(5.02)**	**(1.49)%**	**(1.59)**	**(23.67)%**	**1.31**	**(0.27)%**	**(0.28)**
	Balance as at 31 March 2016	(0.09)%	(4.74)	(0.11)%	(0.27)	9.22%	(0.42)	(0.29)%	(0.69)
9	**Ramco Systems Australia Pty Ltd, Australia**								
	Balance as at 31 March 2017	**(4.78)%**	**(258.33)**	**(197.35)%**	**(210.48)**	**(85.05)%**	**4.72**	**(203.52)%**	**(205.76)**
	Balance as at 31 March 2016	(1.02)%	(52.57)	9.22%	22.25	55.38%	(2.52)	8.33%	19.73
10	**Ramco System Inc., Phillipines**								
	Balance as at 31 March 2017	**0.71%**	**38.54**	**29.55%**	**31.52**	**187.69%**	**(10.42)**	**20.87%**	**21.10**
	Balance as at 31 March 2016	NA	NA	NA	NA	NA	NA	NA	NA
Non-controlling interests									
	Balance as at 31 March 2017	**(0.10)%**	**(5.15)**	**(1.98)%**	**(2.11)**	**0.00%**	**-**	**(2.08)%**	**(2.11)**
	Balance as at 31 March 2016	(0.06)%	(3.05)	(0.12)%	(0.28)	0.00%	-	(0.12)%	(0.28)

Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consoli-dated net assets	Rs. Mln.	As % of consoli-dated profit and loss	Rs. Mln.	As % of consolidated other compre-hensive income	Rs. Mln.	As % of total compre-hensive income	Rs. Mln.
Associate, Foreign:									
	City Works Pty. Ltd., South Africa								
	Balance as at 31 March 2017	**0.21%**	**11.09**	**1.40%**	**1.50**	**-**	**-**	**1.48%**	**1.50**
	Balance as at 31 March 2016	0.19%	9.59	1.67%	4.03	_	-	1.70%	4.03
Effect of inter company elimination / adjustments									
	As at 31 March 2017	**(32.94)%**	**(1,781.33)**						
	As at 31 March 2016	(27.55)%	(1,419.35)						
Total	**Balance as at 31 March 2017**	**100%**	**5,407.38**	**100%**	**106.65**	**100%**	**(5.55)**	**100%**	**101.10**
	Balance as at 31 March 2016	100%	5,151.86	100%	241.44	100%	(4.55)	100%	236.89

38. Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308E dated March, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Rs.

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08 November 2016	203,000	48,182	251,182
Cash withdrawal from Banks	-	666,000	666,000
(+) Permitted receipts	-	144,021	144,021
(-) Permitted payments	-	(562,002)	(562,002)
(-) Amount deposited in Banks	(203,000)	-	(203,000)
Closing cash in hand as on 30 December 2016	-	296,201	296,201

For the purposes of this clause, the term “Specified Bank Notes” shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 08 November 2016.

39. Figures for the previous year(s) have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.

40. The figures in Rupees and USD have been rounded off to the million in current and previous years.

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM
Director

C N GANGADARAN
Partner
Membership No.:011205

R RAVI KULA CHANDRAN
Chief Financial Officer

Place : Chennai
Date : 30 May 2017

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES / ASSOCIATES

FORM AOC-1 [Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statements of Subsidiaries and Associate Company

Part A - Subsidiaries:

Rs. Mln.

Name of the Subsidiary	Year	Reporting currency	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Invest-ments	Turn-over	Profit / (Loss) Before Tax	Provi-sion for Tax	Profit After Tax	Pro-posed dividend	% of share-holding	Exchange Rate used (Rs. per unit of foreign currency) B/S	Exchange Rate used (Rs. per unit of foreign currency) P&L
Ramco Systems Corporation, USA	**2016-17**	**USD**	**105.74**	**110.67**	**553.07**	**553.07**	**0.43**	**830.71**	**84.60**	**-**	**84.60**	**-**	**98%**	**64.45**	**66.80**
	2015-16		105.74	32.20	475.98	475.98	0.43	794.59	6.52	-	6.52	-		65.92	64.94
Ramco Systems Ltd., Switzerland	**2016-17**	**CHF**	**29.33**	**107.91**	**154.26**	**154.26**	**-**	**45.79**	**14.46**	**-**	**14.46**	**-**	**100%**	**64.13**	**67.29**
	2015-16		29.33	101.56	158.84	158.84	-	74.59	26.09	-	26.09	-		67.96	66.39
Ramco Systems Sdn. Bhd, Malaysia	**2016-17**	**MYR**	**18.22**	**77.48**	**237.39**	**237.39**	**-**	**299.48**	**(18.94)**	**2.38**	**(21.32)**	**-**	**100%**	**14.79**	**16.17**
	2015-16		18.22	115.54	261.42	261.42	-	327.24	78.05	22.67	55.38	-		16.88	16.24
Ramco Systems Pte. Ltd., Singapore	**2016-17**	**SGD**	**510.13**	**(748.74)**	**363.31**	**363.31**	**-**	**298.63**	**(378.16)**	**2.71**	**(380.88)**	**-**	**100%**	**45.95**	**48.16**
	2015-16		163.49	(392.77)	414.74	414.74	-	452.69	(133.51)	-	(133.51)	-		48.65	46.65
RSL Enterprise Solutions (Pty) Ltd., South Africa	**2016-17**	**ZAR**	**0.00**	**0.82**	**171.09**	**171.09**	**-**	**239.56**	**2.68**	**(15.10)**	**17.78**	**-**	**100%**	**4.70**	**4.62**
	2015-16		0.00	(17.38)	142.11	142.11	-	257.73	10.57	-	10.57	-		4.32	4.70
Ramco Systems Canada Inc., Canada*	**2016-17**	**CAD**	**0.43**	**9.12**	**19.24**	**19.24**	**-**	**31.21**	**2.05**	**0.46**	**1.59**	**-**	**100%**	**48.19**	**50.68**
	2015-16		0.43	8.28	16.34	16.34	-	14.78	4.55	1.24	3.31	-		50.51	49.53
Ramco Systems FZLLC, Dubai	**2016-17**	**AED**	**0.62**	**334.61**	**933.18**	**933.18**	**-**	**632.75**	**64.81**	**-**	**64.81**	**-**	**100%**	**17.20**	**17.83**
	2015-16		0.62	281.52	733.97	733.97	-	693.10	104.21	-	104.21	-		17.60	17.33
RSL Software Company Ltd., Sudan	**2016-17**	**SDG**	**2.08**	**(7.10)**	**3.99**	**3.99**	**-**	**-**	**(1.59)**	**-**	**(1.59)**	**-**	**100%**	**9.67**	**10.64**
	2015-16		2.08	(6.82)	4.45	4.45	-	-	(0.27)	-	(0.27)	-		10.85	10.76
Ramco Systems Australia Pty Ltd, Australia	**2016-17**	**AUD**	**52.45**	**(310.78)**	**457.14**	**457.14**	**-**	**499.44**	**(210.48)**	**-**	**(210.48)**	**-**	**100%**	**48.98**	**49.86**
	2015-16		52.45	(105.02)	387.34	387.34	-	457.94	22.25	-	22.25	-		50.10	47.53
Ramco System Inc., Phillipines	**2016-17**	**PHP**	**17.44**	**21.10**	**155.12**	**155.12**	**-**	**182.27**	**42.45**	**10.93**	**31.52**	**-**	**100%**	**1.29**	**1.39**
	2015-16		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		NA	NA

* 100% subsidiary of Ramco Systems Corporation, USA

Part B - Associate company:

Name of the Associate	Latest audited Balance Sheet Date	Shares of Associate held by the Group on the year end: No. of Shares	Amount of investment	Extent of Holding %	Description on how there is significant influence	Reason why the associate is not consolidated	As per the latest unaudited Balance Sheet as at Feb 28, 2017: Networth attributable to shareholding	Profit / Loss for the year	Considered in consoli-dation	Not considered in consoli-dation
City Works Pty. Ltd., South Africa	Feb 28, 2016	600	0.003	30%	By virtue of Share Holding	Not Applicable	11.09	4.99	1.50	3.49

As per our report annexed
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No.004915S
LLP Registration No.S200036

C N GANGADARAN
Partner
Membership No.:011205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

R RAVI KULA CHANDRAN
Chief Financial Officer

M M VENKATACHALAM
Director

Place : Chennai
Date : 30 May 2017

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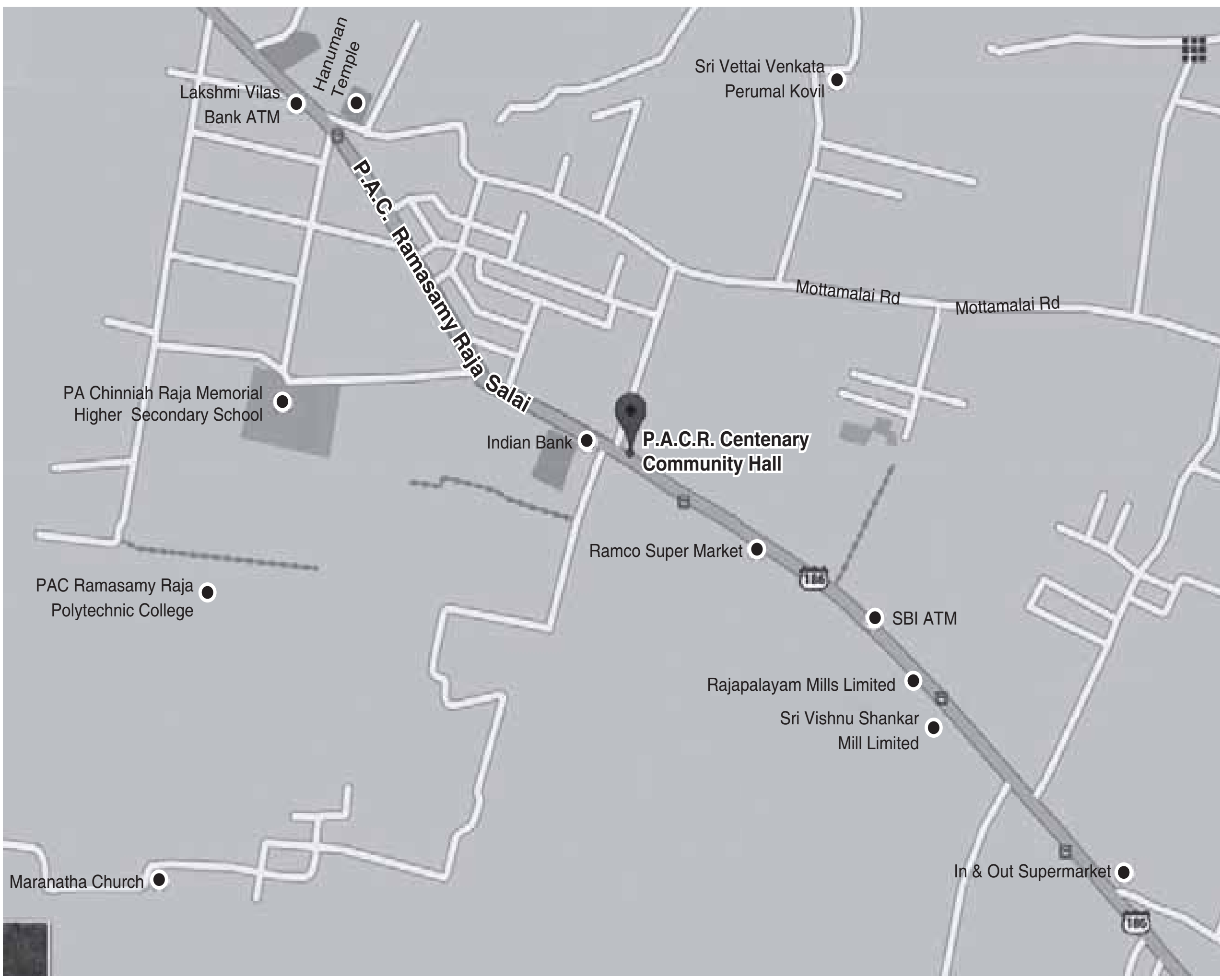
Ramco Systems Limited, INDIA

Map Showing location of venue of 20th Annual General Meeting

Venue Address : P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, TN



Land Mark: Near Indian Bank

Distance from Rajapalayam Bus Stand : 3.5 KM   Distance from Rajapalayam Railway Station : 3.9 KM

RAMCO SYSTEMS LIMITED
REGISTERED OFFICE: 47, P.S.K NAGAR, RAJAPALAYAM - 626 108.
CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.
CIN: L72300TN1997PLC037550, E-mail : investorcomplaints@ramco.com
Website : www.ramco.com
PHONE : +91 44 2235 4510 / 6653 4000, Fax : +91 44 2235 2884

ramco

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of Ramco Systems Limited, will be held on Friday, the 4th August 2017 at 11.45 A.M. at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108 to transact the following business:

ORDINARY BUSINESS:

1. To consider and pass the following Resolution, as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT that the Board's Report and the Company's Separate (Standalone) and Consolidated Statements of Profit and Loss for the year ended 31st March 2017, Balance Sheets as at that date and Cash Flow Statements for the year ended on that date and the Auditors' Reports thereon be and are hereby considered and adopted."

2. To consider and pass the following Resolution, as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT Shri P R Venketrama Raja (DIN:00331406), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation ."

3. To consider and pass the following Resolution, as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT in terms of section 139, 142 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants, holding Firm Registration No: 001208S be and are hereby appointed as Auditors of the Company [in place of M/s. CNGSN & Associates LLP, Chartered Accountants, whose tenure as Auditors come to an end at the close of the 20th Annual General Meeting in terms of Section 139(2) of Companies Act, 2013] for five consecutive financial years commencing from the Financial Year 2017-2018 and to hold office from the conclusion of 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the Members at every intervening Annual General Meeting to be held after the 20th Annual General Meeting.

   RESOLVED FURTHER THAT the Auditors shall be paid for the financial year 2017-2018, a remuneration of Rs.15,00,000/- (Rupees fifteen lakhs only) (exclusive of applicable taxes and Out-of-pocket expenses) for statutory audit.

   RESOLVED FURTHER THAT for the financial year 2017-2018, the Board of Directors are authorised to fix the remuneration for certification and other matters based on the recommendation of the Audit Committee.

   RESOLVED FURTHER THAT for the financial years 2018-2019, 2019-2020, 2020-2021 and 2021-2022, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee."

SPECIAL BUSINESS:

4. To consider and pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Abinav Ramasubramaniam Raja (DIN: 07273249), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 4th June 2017 and who holds office as such up to the twentieth Annual General Meeting be and is hereby appointed as a Director of the Company."

5. To consider and pass the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof), approval of the members of the Company be and is hereby accorded to the appointment of Shri P V Abinav Ramasubramaniam Raja (DIN: 07273249), as a whole time key managerial personnel in the position of Manager, with the designation of Whole time Director for a period of five (5) years from June 04, 2017 to June 03, 2022, at a remuneration not exceeding 3% of the net profits of the Company for first two years and at a remuneration not exceeding 5% of the said net profits thereafter, with authority to the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, to alter and vary the remuneration, as it may deem fit and to fix the quantum, composition and periodicity of the remuneration.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, not exceeding three such financial years during his tenure of five years, he shall be paid the minimum remuneration as may be determined by Board of Directors based on the recommendation of the Nomination and Remuneration Committee which shall have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration, subject however that such minimum remuneration shall not exceed double of the limit prescribed under (A) of Section II, Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT in case he draws remuneration as a whole time key managerial personnel from another Company, the total remuneration payable by both the Companies shall not exceed the higher maximum limit permissible for any one of the Companies.

RESOLVED FURTHER THAT in addition to the above remuneration, he shall also be eligible for fees to attend Meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board, as provided in Section 197(5) of the Companies Act, 2013.

RESOLVED FURTHER THAT Shri P V Abinav Ramasubramaniam Raja, shall not be liable to retire by rotation during his tenure as Manager."

By Order of the Board,
For RAMCO SYSTEMS LIMITED
P R VENKETRAMA RAJA
CHAIRMAN

Place : Rajapalayam
Date : 4th June 2017

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto. Information in respect of the Director seeking re-election as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is included in the statement.
2. **A Member entitled to attend at the meeting is entitled to appoint a Proxy to attend instead of himself and the 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 the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.**
3. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2016-17 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – www.ramco.com for their download.
4. Under Rule 18 of Companies (Management and Administration) Rules, 2014 Members holding shares in electronic mode who have not got their E-mail addresses updated with the Depository Participants are requested to update their E-mail address and any changes therein. Members holding shares in physical mode are requested to update their E-mail address, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), by writing to them at Subramanian Building, No.1, Club House Road, Chennai 600 002, or by E-mail to investor@cameoindia.com.
5. Members who are holding shares in identical order of names in more than one account are requested to intimate to the Company, the ledger folio of such accounts together with the share certificate(s) to enable the Company to consolidate all the holdings into one account. The share certificate(s) will be returned to the members after necessary endorsements.
6. A Route Map with prominent Landmark for easy location of the venue of the meeting is given in Page No.178 as per the requirement of Clause No: 1.2.4 of the Secretarial Standard-2 on "General Meetings".

7. Voting through electronic means

   I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI(Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company is providing members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting, through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

   II. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

   III. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

   The instructions for e-voting are as under:

   (i) The remote e-voting period begins at 9.00 a.m. on Tuesday, the 1st August 2017 and ends at 5.00 p.m. on Thursday, the 3rd August 2017. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz. Friday, 28th July 2017, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

   (ii) The shareholders should log on to the e-voting website www.evotingindia.com

   (iii) Click on Shareholders.

   (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. If you are a first time user follow the steps given in points (vii) and (viii).

   (vii) Fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· • 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.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(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 Ramco Systems Limited.

(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 Resolutions.

(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 changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Additional instructions for non–individual shareholders and custodians

a. Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and custodians voting for the first time are required to log on to www.evotingindia.com and register themselves as corporates. Corporates and custodians already registered with CDSL should use their existing login details.

b. After registering online, scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. The admin login details will be sent by CDSL. After receiving these details, create a compliance user. The compliance user would be able to link the account(s) for which they wish to vote on.

d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the custodian/ authorized person, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

IV. You can also update your mobile number and E-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 28th July 2017.

VI. Shri K Srinivasan, Chartered Accountant (Membership No:21510), Partner, M/s. M S Jagannathan & N. Krishnaswami, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VII. The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.

VIII. The scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

IX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ramco.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be displayed on the notice-board at the registered office and immediately forwarded to the stock exchanges where the Company's shares are listed.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.4 & 5

Based on the recommendation of the Nomination and Remuneration Committee, Shri P V Abinav Ramasubramaniam Raja was appointed as an Additional Director on the Board of the Company with effect from 4th June 2017 to hold office upto the date of the 20th Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Shri P V Abinav Ramasubramaniam Raja as a Director of the Company.

Consequent to Shri P R Venketrama Raja relinquishing the post of Managing Director from the close of business hours of 3rd June 2017, the Company had to appoint a whole time key managerial personnel in the position of Managing Director / Whole Time Director / Manager under Sec. 203(1)(i) of the Companies Act, 2013.

The Nomination and Remuneration Committee at its meeting held on 4th June 2017 had recommended to the Board the appointment of Shri P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director of the Company and the Board of Directors at their meeting held on 4th June 2017, had approved the same, subject to the approval of the shareholders. The appointment is for a period 5 years commencing from 4th June 2017. He will not be considered as a Director who is liable to retire by rotation during his tenure as Manager.

Shri P V Abinav Ramasubramaniam Raja (DIN: 07273249), aged 23, is a graduate in Industrial Engineering from Northwestern University, USA and has undergone internship in Enam Holdings Pvt. Ltd., Mumbai as Equity Research Analyst and in The Ramco Cements Limited, Chennai, as Summer Analyst.

The Nomination and Remuneration Committee has also approved the remuneration in accordance with Schedule V of the Companies Act, 2013, which is as follows:

Terms of Remuneration:

i. **When the Company is having profit:**

   Upto 3% of the net profits of the Company, calculated as per Section 197(1), read with Section 198 of the Companies Act, 2013, for the first two years of the tenure and upto 5% of the said net profits thereafter.

ii. **When the Company is having no profit or inadequate profit:**

   If, in any financial year during the currency of his tenure, not being more than three such financial years over the entire tenure of five years, the Company has no profit or inadequate profit, the remuneration shall be as recommended / approved by the Nomination and Remuneration Committee and the Board, which shall not exceed the double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013.

   Based on the Company's effective capital as on 31st March 2017, the limit of yearly remuneration will be upto Rs.120 lakhs plus 0.01% of the effective capital in excess of Rs.250 crores. which can be doubled if the same is approved by the Members by way of a Special Resolution.

   The said limit shall exclude the following perquisites:

   a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

   b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

   c. Encashment of leave at the end of the tenure.

iii. Effective his date of appointment, the following remuneration shall be paid, which may be revised from time to time by the Board, within the overall limits approved by the Members.

Sl. No.	Particulars	Remuneration
1	Basic Pay	Rs.720,000/- per annum
2	Other Allowances	Rs.360,000/- per annum
3	Provident Fund	12% of basic
4	Gratuity	As per Company policy
5	Superannuation	As per Company policy
6	Encashment of Leave	As per Company policy

iv. In addition to the above remuneration, he will also be eligible for any fee paid for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013.

v. Since Shri P V Abinav Ramasubramaniam Raja is also the Managing Director of Ramco Industries Limited, his remuneration in any of the financial years during his tenure shall not exceed the higher maximum limit permissible under Schedule V of the Companies Act, 2013 in any one of the Companies viz., Ramco Systems Limited and Ramco Industries Limited.

The appointment and the remuneration are in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder. Since the conditions stipulated in Schedule V of the Companies Act, 2013 are fulfilled, approval of Government of India is not required.

Shri P V Abinav Ramasubramaniam Raja is a Director in the following Companies:

1 Ramco Systems Limited
2 Ramco Industries Limited
3 Rajapalayam Mills Limited
4 Lynks Logistics Limited

Shri P V Abinav Ramasubramaniam Raja is not a Member in Committees of the Board of the above said Companies.

He holds 1,10,332 equity shares in the Company.

Considering the responsibilities to be undertaken by Shri P V Abinav Ramasubramaniam Raja and his suitability, the Directors recommend the special resolution for Members' approval.

Disclosure of Interest:

None of the Directors and Key Managerial Personnel except Shri P R Venketrama Raja, father of Shri P V Abinav Ramasubramaniam Raja and Shri P V Abinav Ramasubramaniam Raja as appointee may be deemed to be concerned or interested financially or otherwise in the Resolution.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:

<table>
<tr><th colspan="4">I. General Information</th></tr>
<tr><td>Nature of industry</td><td colspan="3">Information Technology (Software Products)</td></tr>
<tr><td>Date or expected date of commencement of commercial production</td><td colspan="3">Company was incorporated on 19th February 1997 and the Certificate of Commencement of Business was dated 19th June 1997</td></tr>
<tr><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td colspan="3">Not Applicable</td></tr>
<tr><td rowspan="5">Financial performance based on given indicators</td><td colspan="3">The details of the standalone financial performance of the Company are given below: (Rs.Mln.)</td></tr>
<tr><td>Year</td><td>Revenue</td><td>Net Profit / (Loss)</td></tr>
<tr><td>2016-17</td><td>2,779.41</td><td>506.78</td></tr>
<tr><td>2015-16</td><td>2,620.99</td><td>143.13</td></tr>
<tr><td>2014-15</td><td>2,247.66</td><td>15.57</td></tr>
<tr><td>Foreign investments or collaborations, if any</td><td colspan="3">The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/ secondary market purchases. The Company has Eleven Subsidiaries the details of which are given in the Annual Report 2017 which accompanies this Notice.</td></tr>
<tr><th colspan="4">II. Information about the appointee</th></tr>
<tr><td>Background details</td><td colspan="3">Shri P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director of the Company.</td></tr>
<tr><td>Past remuneration</td><td colspan="3">Nil</td></tr>
<tr><td>Recognition or awards</td><td colspan="3">Nil</td></tr>
<tr><td>Job profile and his suitability</td><td colspan="3">Shri P V Abinav Ramasubramaniam Raja (DIN 07273249), aged 23, is a graduate in Industrial Engineering from Northwestern University, USA and has undergone internship in Enam Holdings Pvt. Ltd., Mumbai as Equity Research Analyst and in The Ramco Cements Limited, Chennai, as Summer Analyst.</td></tr>
<tr><td>Remuneration proposed</td><td colspan="3">Upto 3% of the net profits of the Company, calculated as per Section 197(1), read with Section 198 of the Companies Act, 2013, for the first two years of the tenure and upto 5% of the said net profits thereafter. In case of inadequacy of profits, he shall be eligible to be paid as remuneration, an amount not exceeding double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 as may be determined by the Nomination and Remuneration Committee / Board. In case he draws remuneration as a managerial person from another Company, the total remuneration payable by both the Companies shall not exceed the higher maximum limit permissible for any one of the Companies. He will also be entitled for sitting fees for meetings of the Board or its Committees attended by him.</td></tr>
</table>

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is comparable to the remuneration of CEO / MD levels of similar sized Information Technology companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration, Shri P V Abinav Ramasubramaniam Raja does not have any other pecuniary relationship with the Company. He is the son of Shri P R Venketrama Raja, Chairman of the Company.
III. Other information	
Reasons of loss or inadequate profits	The Company had made profit in the financial years 2014-15, 2015-16 & 2016-17. Though the inadequacy of profits may not arise, by way of abundant caution, approval of the Members is being sought for minimum remuneration for not more than three financial years during the tenure.
Steps taken or proposed to be taken for improvement	The Company is taking continuous steps for improvement.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future.
IV. Disclosure: As required, the information is provided under Corporate Governance Section of Annual Report 2017.	

The Company had not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2016-17.

None of the Directors and Key Managerial Personnel except Shri P V Abinav Ramasubramaniam Raja as an appointee and Shri P R Venketrama Raja as his father, may be deemed to be concerned or interested financially or otherwise in the Resolution.

The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of SEBI (LODR), Regulations, 2015.

The resolutions as set out in item nos. 4 and 5 of this Notice are accordingly commended for your approval.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING:

As per the provisions of Section 152 of the Companies Act, 2013, Shri P R Venketrama Raja, Director, retire by rotation and is seeking re-election at the ensuing Annual General Meeting. In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015, the following information is provided in respect of Shri P R Venketrama Raja:

Shri P R Venketrama Raja aged 58, has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from University of Michigan, USA in 1983. He has been on the Board of Ramco Systems Limited since 1997. He has more than 3 decades of Industrial Experience with specific knowledge in sectors like Information Technology, Cement and Textiles. His line of experience has been in the overall managerial area. He is a Member on the Board of several companies of well diversified Ramco Group including The Ramco Cements Limited. He is also the Chairperson of Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Company. Shri P R Venketrama Raja holds 32,17,441 shares in the Company.

He is a Director on the Board of the following other Companies:

Sl. No.	Names of the Entities	Nature of Interest	Sl. No.	Names of the Entities	Nature of Interest
1	The Ramco Cements Limited	Chairman	14	Sri Ramco Lanka (Private) Limited, Sri Lanka	Director
2	Ramco Industries Limited	Chairman	15	Sri Ramco Roofings Lanka Private Limited – Sri Lanka	Director
3	Rajapalayam Mills Limited	Chairman	16	RCDC Securities and Investments Private Limited	Director
4	The Ramaraju Surgical Cotton Mills Limited	Director	17	Nirmala Shankar Farms & Estates Private Limited	Director
5	Sri Vishnu Shankar Mills Limited	Director	18	Sri Nithyalakshmi Farms Private Limited	Director

Sl. No.	Names of the Entities	Nature of Interest	Sl. No.	Names of the Entities	Nature of Interest
6	Sandhya Spinning Mill Limited	Director	19	Ram Sandhya Farms Private Limited	Director
7	Sri Sandhya Farms (India) Pvt. Limited	Director	20	RSL Enterprise Solutions (Pty) Limited, South Africa	Director
8	Sri Saradha Deepa Farms Private Limited	Director	21	Ramco Systems Canada Inc., Canada	Director
9	Nalina Agricultural Farms Private Ltd	Director	22	Rajapalayam Textile Limited	Director
10	Ramco Systems Corporation, USA	Director	23	Ramco Systems FZ-LLC	Director
11	Ramco Systems Ltd., Switzerland	Director	24	Ramco Systems Australia Pty Limited, Australia	Director
12	Ramco Systems Sdn Bhd., Malaysia	Director	25	Ramamandiram Agricultural Estate Private Ltd.	Director
13	Ramco Systems Pte. Ltd., Singapore	Director	26	Lynks Logistics Limited	Director

Shri P R Venketrama Raja is a Member in the following Committees of the Board.

Sl. No.	Name of the Company	Name of the Committee	Position
1.	The Ramco Cements Limited	Audit Committee	Member
		Project Management Committee	Member
		Stakeholders Relationship Committee	Chairman
		Share/Debenture Committee	Chairman
		Corporate Social Responsibility Committee	Member
		Nomination and Remuneration Committee	Member
2.	Ramco Industries Limited	Stakeholders Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
		Risk Management Committee	Chairman
3.	Ramco Systems Limited	Stakeholders Relationship Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Allotment Committee	Member
		Fund Raising Committee	Member
		Rights Issue 2013 Comiittee	Member
4.	Rajapalayam Mills Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
5.	The Ramaraju Surgical Cotton Mills Limited	Stakeholders Relationship Committee	Member

Disclosure of Interest:

None of the Directors and Key Managerial Personnel and their relatives except Shri P R Venketrama Raja as appointee and Shri P V Abinav Ramasubramaniam Raja, his son, are concerned or interested financially or otherwise in the Resolution.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

Place : Rajapalayam
Date : 4th June 2017

P R VENKETRAMA RAJA
CHAIRMAN

RAMCO SYSTEMS LIMITED
REGISTERED OFFICE: 47, P.S.K NAGAR, RAJAPALAYAM - 626 108.
CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.
CIN: L72300TN1997PLC037550, E-mail : investorcomplaints@ramco.com
Website : www.ramco.com
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PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ....

Registered address : ....

E-mail ID : ....

Folio No/DP ID - Client ID : ....

I/We, being the Member (s) holding ……….................…................... shares of the above named Company, hereby appoint

1. Name : ....……………… Address : ....
   E-mail Id : ....……………….…..... Signature : ……………….., or failing him
2. Name : ....……………… Address : ....
   E-mail Id : ....……………… Signature : ………..........……................................., or failing him
3. Name : ....……………… Address : ....
   E-mail Id : ....……………… Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Friday, the 4th August 2017 at 11.45 A.M. at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements for the year ended 31st March 2017
2.	Appointment of director in the place of Shri P R Venketrama Raja (DIN: 00331406), who retires by rotation and being eligible, offers himself for re-appointment.
3.	Appointment of M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants, holding Firm Registration No: 001208S as Auditors in place of M/s. CNGSN & Associates LLP, Chartered Accountants, as Auditors.
Special Business	
4.	Appointment of Shri P V Abinav Ramasubramaniam Raja (DIN: 07273249), as Director of the Company
5.	Appointment of Shri Abinav Ramasubramaniam Raja (DIN: 07273249) as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director.

Signed this .... day of ....2017.

Signature of Shareholder ....

Signature of Proxy holder(s) ....

Affix Re 1/-
Revenue
Stamp

Member's Signature

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Overseas Locations

North America

USA

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Vancouver, BC V6E 3X1
Canada

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Puerto Rico

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Puerto Rico 00926

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ANZ

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Australia
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New Zealand

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Africa

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Fax: +27 31 304 3499

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Free trade zone , Shanghai,
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For more information, you can e-mail us at contact@ramco.com or visit us at www.ramco.com

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