

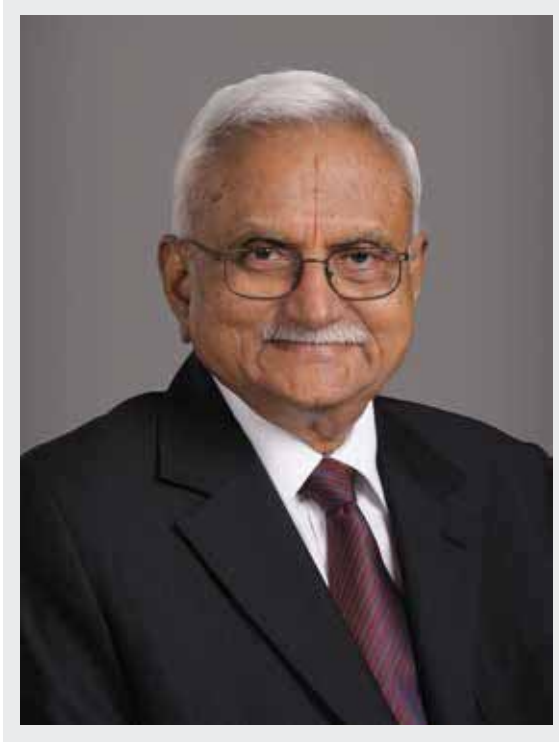


**GOODBYE UI**

Frictionless Era  
of Computing  
is here

Annual Report 2017-18





**"Gurubakthamani"**  
**SHRI P R RAMASUBRAHMANEYA RAJHA**  
**Sridharmarakshakar - Ramco Group**

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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 A V Dharmakrishnan**

**Shri R S Agarwal**

**Smt. Soundara Kumar**

**Shri Sankar Krishnan**

**Auditors:** Messrs M S Jagannathan & N Krishnaswami, Chartered Accountants, Chennai

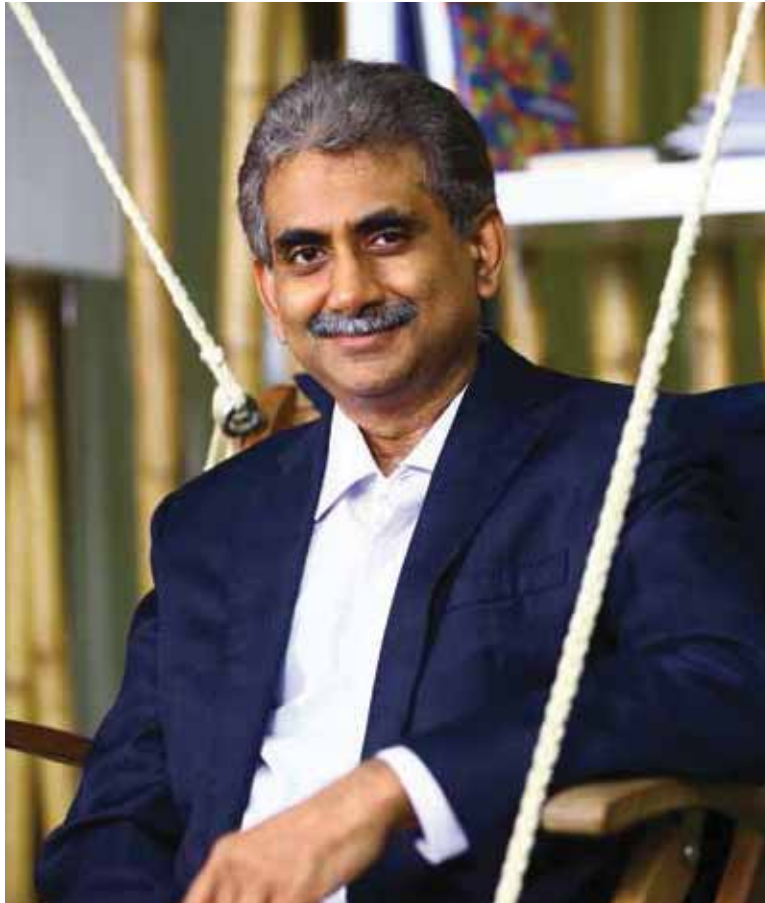
**Bankers:** Axis Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, Yes Bank Limited

**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, Ramco Systems (Shanghai) Co. Ltd., China, PT Ramco Systems Indonesia, Indonesia and Ramco System Vietnam Company Limited, Vietnam

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



## Dear Shareholders,

We complete yet another exciting year, and I am happy to share this update with you. Your company has witnessed consistent growth in orderbook over the last few years and I am confident the momentum should sustain going forward, too.

Constant thrust on innovation, out-of-the box ideas and rigorous team effort have steered us towards growth trajectory. With focus on design thinking and innovation, today, we are witnessing an Indian product company surging ahead in the global arena. FY 2018 marked your company's entry into three Gartner Magic Quadrants for Cloud Financials, Human Capital Management and Enterprise Asset Management; ForresterWave for SaaS HRMS and IDC MarketScape for SaaS ERP. We are excited to share that we are the first and only APAC based company to make an entry into the above coveted reports.

While the traditional legacy software vendors are trying to become contemporary to stay competitive by acquiring functionality which adds to complexity; our complete focus has been on 'SIMPLIFICATION' to drive business efficiency and user experience for our end clients. The recent innovations around Chatbots or Google Assistant & Alexa based Voice Assistants are a step in the direction towards building Frictionless interactions.

Our focus on elegance and ease of use combined with the depth and breadth of our product line has been the key driver behind winning customer trust, globally. The Innovation center in India and Singapore focus on rapidly assimilating new technologies like Bots, Voice based virtual assistants, Blockchain, Artificial Intelligence into our platform. The investments we made early on in building a platform (Ramco VirtualWorks®) has enabled the above and continues to pay off as we are able to develop and roll out new innovations to the market, rapidly. We continue to focus on enabling our clients traverse the technology curve with ease and reap quantifiable benefits.

On business front, our Multi-country Payroll offering is getting wider reach and winning mandates from multinationals and Fortune companies with large headcounts. The ability to cover all of Asia (including China & Japan), Australia, New Zealand, Middle East and parts of Africa on a unified platform with next-gen Innovations and automation built-in is getting clients to entrust us for their Payroll needs. Going forward, the focus is to complete the picture by bringing more countries on Ramco's Global Payroll platform.

Logistics which continues to be a blue ocean in the ERP space has witnessed good traction build up. Some of our early wins in this segment have started going live and reaping the benefits of a unified system. The 'power of one' offering for the Logistics Service Providers (LSP) also brought home two awards – the "Logistics ERP of the year" award by Global Logistics Show and "Best IT Solution Provider in Supply Chain & Logistics" in 2017 award by ISCM - Institute of Supply Chain Management. As the market for generic ERP gets stagnant with little room for differentiation, our focus will be on identifying green shoots to build our strength around them.

Aviation continues to see good progress, triggered by need to bring mobility and new age technologies for business improvement. We identified an opportunity to connect the ecosystem and build an open API economy where demand and supply can be matched. This innovative new offering, under the 'Anywhere' series has seen very good interest and uptake from both existing and new prospects alike. From parts to mechanics, repairs to skills, the platform has the potential to open up newer markets in the Aerospace sector.

Operationally too, a lot of thrust and focus is being placed on better resource utilization and deeper account engagement. The financial profitability is a sign that our products have stabilized and are gaining global acceptance. We have signed some of the largest and marquee names across industries in the recent past and this has been possible because of strong endorsement from our clients. The average deal size has also seen an upward trend with the number of million dollar plus deals on the rise.

Overall, FY 2018 has given us a firm footing in the global enterprise applications market with leading analyst and research firms endorsing our product functionality and usability. All this and much more would not have been possible but for the trust and belief that our stakeholders place on the brand. The future looks promising and we are excited to travel ahead in this wonderful journey towards building a globally known enterprise software product company from India.

Regards,



**P R Venketrama Raja**

Chairman



# THE FUTURE IS FRICTION FREE

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AI is now trumping UI

Face is winning over interface

Bots are now connecting the missing dots

Voice is now everyone's choice

Phones are becoming drones

The frictionless is gaining traction

And, we at Ramco are excited to be pioneering this revolution



# Ramco Systems Limited, INDIA

## REPORT OF THE BOARD OF DIRECTORS

Your Board has pleasure in presenting the Twenty First Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018.

### 1. FINANCIAL RESULTS

The standalone and consolidated audited financial results for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 are as follows:

Particulars	Standalone for the year ended 31 <sup>st</sup> March		Consolidated for the year ended 31 <sup>st</sup> March	
	2018	2017	2018	2017
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
Revenue from Operations	2,849.77	2,779.41	4,692.19	4,491.77
Other Income	132.44	97.71	97.20	101.44
<b>Total Revenue</b>	<b>2,982.21</b>	<b>2,877.12</b>	<b>4,789.39</b>	<b>4,593.21</b>
Expenditure				
- Purchase of Stock-in-trade	7.00	7.19	7.87	35.58
- Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	(0.16)	2.06	(0.16)	2.06
- Employee Benefits Expense	931.68	1,059.71	2,018.10	2,060.33
- Other Expenses	696.82	1,239.05	1,908.26	2,310.26
Total Expenses	1,635.34	2,308.01	3,934.07	4,408.23
<b>Profit Before Interest, Depreciation &amp; Amortisation &amp; Taxes</b>	<b>1,346.87</b>	<b>569.11</b>	<b>855.32</b>	<b>184.98</b>
Depreciation and Amortisation Expense	486.85	464.26	500.98	477.60
Finance Costs	11.95	12.68	13.09	13.35
<b>Profit Before Tax</b>	<b>848.07</b>	<b>92.17</b>	<b>341.25</b>	<b>(305.97)</b>
Share of profit/(Loss) of an associate		-	1.41	1.50
Tax Expenses				
- Current Tax	160.71	52.12	186.87	67.62
- Deferred Tax (including MAT credit)	29.00	(466.73)	40.10	(480.85)
<b>Net Profit After Tax</b>	<b>658.36</b>	<b>506.78</b>	<b>115.69</b>	<b>108.76</b>
Other comprehensive income (OCI)	6.25	16.94	(10.84)	(5.55)
Total comprehensive income	664.61	523.72	104.85	103.21

### 2. BUSINESS OPERATIONS

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

# BUSINESS OPERATIONS

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## continues to help companies leverage the Power of One

The enterprise resource planning (ERP) industry has been rapidly evolving and has reached a high level of maturity. While large legacy vendors are busy acquiring products to complete their offering or offer Cloud capability, Ramco invested in organically growing to give a comprehensive ERP suite to address business needs with a Cloud, mobile and bot-ready application. All this and more have helped us win the trust of customers which led to Ramco ERP making its entry into the Gartner Magic Quadrant for Cloud Core Financials, Cloud HCM and Enterprise Asset Management. Ramco ERP was also positioned in IDC's MarketScape report for SaaS ERP.

But we realised, building a standard ERP will not suffice the growing demand for verticalized ERP solutions. Hence, over the last couple of years, we identified and invested in building an ERP to address the service side of Logistics business. Today, this division within the ERP business unit has grown towards contributing more than 50% of the ERP order book. Similar to Logistics, we have started identifying select niches in People-centric Services segment such as Staffing and Professionals services and Asset centric ERP organizations, which have started to see some green shoots of success. With a strong Finance module as the base, we plan to market these chosen segments to build yet another solid base for the ERP business.

Last year be it new customer acquisitions, product innovation, or recognition through awards, Ramco Logistics ticked all the right checkboxes at the right time. The product improved its stability & robustness with go-lives at organizations with multifaceted & intricate business requirements. With day-to-day learning and inputs from customers, prospects and partners, the product is now growing leaps & bounds.

Moving to the world of frictionless computing, the year witnessed focused technological advancements in the product, to help users embrace the Zero UI concept, through:

- a) Text based interactions – From stock enquiry to work order request, chatbots entered the ERP landscape like a breath of fresh air. ERP users who hitherto had to make do with boring clunky screens, were welcomed to a whole new world on chat-based interactions with an intelligent Bot which could respond to users and help them transact with the ERP without requiring to toggle multiple screens
- b) Voice based interactions – Based on NLP, Ramco is enabling users to talk to the ERP via Google Assistant & Amazon Alexa to get transactions done.

c) Offline ERP access - This FY, we also pioneered transaction processing leveraging voice based commands in situations where internet may not be available

d) Visual based interactions – Powered by our partner Microsoft's HoloLens, the year witnessed some pilot use cases to enable easy execution of logistics processes through visual cues. This has been targeted to eliminate errors and improve efficiency of operations, handsfree

New Tax Regime: From implementation of Goods & Services Tax in India to launch of Value Added Tax in U.A.E; the tax compliance and enablement teams were busy round-the-clock to ensure clients' business activities were not impacted.

Some of the marquee ERP customers acquired during the year include, U.S. based mining and silica producer; LBC express in Philippines, Indonesia's leading Logistics provider, India's largest suspension system Automotive company among others. Our strategic entry into some of the key US based accounts has been resonating well and will help us create inroads in the region, for our long term growth.

On the innovation front, Blockchain was the flavor of the season. Our works at the Innovation Lab included pilot applications for Blockchain where LSPs could come together to form a Blockchain consortium, which would in turn enable them to share idle capacity & eliminate dependency on middle men.

Alongside receiving customer endorsements, the year also witnessed recognitions from various industry associations. Some notable awards that we bagged during the year include –

- a) "Logistics ERP of the year" award by Global Logistics Show
- b) "BEST IT Solution Provider in Supply Chain & Logistics" in 2017 award by ISCM - Institute of Supply Chain Management

For the year ahead, the aspirations are high be it from a quantitative (Revenue, customer acquisition etc.) or a qualitative (Product enhancements, Innovations etc.) point of view. But with a strong foundation and fundamentals set in place, we are confident of reaching newer heights and achieve the unimaginable in years to come.



## with Global Payroll – Intelligence bundled with Automation

With constant focus on simplifying HR operations, Ramco HCM has been enabling large MNCs and Fortune 100 giants automate traditional HR transactions and drive business benefits across multiple HR functions. This approach has enabled organizations focus on people and not spend time navigating around systems or worrying about future changes. This year, we focused our energies and effort in leveraging HR technology to deliver superior 'Employee Experience'. Our extensive efforts in the cloud enterprise space and thrust on innovation and usability has enabled us to disrupt the HR segment and challenge established players who have grown by acquiring multiple niche products.

Year 2017 was the year of achievements and endorsements! Ramco HCM bagged some of the most coveted titles in the industry. The year marked our debut into the Gartner Magic Quadrant for Cloud HCM Suites and The Forrester WAVE for SaaS HRMS – being the ONLY APAC VENDOR to make it into the quadrant.

The entry into the Gartner Magic Quadrant and Forrester WAVE was indeed a validation of the product capability and success we have witnessed for our HCM suite. While we have built a strong presence in Asia, Australia and Middle East, this recognition has helped further build the momentum in U.S and Europe where we are relatively new entrants.

With focused efforts on addressing the changing market dynamics, year 2017 also witnessed Ramco pioneering the concept of Zero UI with Chatbots based ESS/MSS and facial recognition-based time and attendance (T&A) system and tag-based skill search feature. Ramco's Chia (chatbot) has been aiding organizations increase productivity, by helping users complete day-to-day transactions in a jiffy while helping managers in understanding, planning and retaining their high performing talent.

Move to T&A, and it's time to 'Say Cheese with Ramco's Face API'! Facial Recognition based Time & Attendance made heads turn during the year. Programmed to scan employees' face the moment they enter and clock in their attendance was indeed an innovative feature to help organizations authenticate, trace, and interact with employees at various levels.

Not just global endorsements, the previous year was a year of awards as well. During the year, Ramco HCM bagged some of the coveted titles including Frost & Sullivan Excellence Award for Talent Management, Brandon Hall Group Excellence in Technology Awards for Workforce Management, and last but not the least, HR Vendors of the Year Award, for the third consecutive time.

On the business front, Ramco HCM added some marquee customer names including Europe's Premium Global Brewery brand to manage its Malaysia operations; SUEZ, a world leader in the sustainable management of resources; Saudi based Mega Manpower Company, Al Jazeera Support Services – MEHAN; European Banking & Financial Services Giant, Ranthill Holdings Berhad Malaysia, among the others. With focus on mid-market segment, we continue to help not just the Fortune 500s but also those getting there with a complete, yet refreshingly simple HCM.

In a nutshell, after capturing a significant market opportunity in Asia, ANZ and Middle East, we are all set to expand into North America and Europe with a single unified HCM with Global Payroll offering. The coming year will see Ramco HCM expand its footprint across the West and help many other global enterprises embark on a HR transformation journey.

# Ramco AVIATION

## Innovation Anywhere!

In the aviation industry, where adoption of the most efficient technology determines distinct competitive advantage, the versatility of Ramco's future ready solution built on Next-Gen technology such as Machine learning and cognitive capabilities has been making all the difference.

Today, we are counted among the leaders in Aviation MRO IT, globally. This year witnessed some significant digitization for MROs, in terms of Voice recognition, virtual and augmented reality, natural language processing, gesture computing, and machine learning, thereby dramatically increasing aircraft productivity, safety and reliability.

With increasing focus on mobility and process automation, this year also witnessed the advancement of Ramco's chatbots, making them capable of performing advanced transactions and integrating with the core M&E solution. With Conversation as a Platform gaining center stage, engagement and usability drove technology adoption. Ramco invested in building use cases around bots which can enable the users to transact with the application and obtain 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 during the year was on Blockchain concept. Blockchain is believed to be the next big technological disruption that would impact multiple industries including Aviation & Logistics. The nature of these industries open up the possibility of a faulty part or a component to enter the operations inadvertently. With safety and regulatory compliance being highly monitored, the cost and implications of such a failure is immense. In such a situation, Blockchain can act as a digital ledger, where every single action about each of the part, be it manufacturing or maintenance or disposal gets recorded digitally & accurately.

Ramco's latest foray into connecting MROs and Airlines through "Anywhere Cloud platform" picked up significant momentum this year. It is believed that the Aviation spare part industry is cluttered either with suppliers like OEMs, Licensed Part Manufacturers, PMAs, Part Traders, Part Locator Services etc., or, with the Airlines and

MROs that use these parts. In the quest to bring in innovative and new technologies that can tackle this fundamental problem, Ramco Part Anywhere Solution connects OEMs, MROs, Part Distributors, Exchanges to provide visibility of the parts, repair capacity & resources to operators across the ecosystem and at the same time will give them the same visibility across the ecosystem on a real-time basis. Also - AOG desks, store clerks, planners or mechanics can just send an SMS/email/chat with the BOT or just call a Hotline - to get instant updates on stock on the go. All this is enabled with advanced Ramco APIs that can connect with other ERP systems as well. Large suppliers like Aviall, globalparts.aero are the early adopters of Ramco Anywhere Cloud Platform.

On the business front, Ramco Aviation recently went live at L3 MAS, Canada's Leading Aerospace & Defence In-Service Support Integrator, and Cobham Aviation, Australia - to improve their supply chain efficiency and ensure continuous airworthiness of Cobham's fixed and rotary-wing aircraft around the world; some of the significant deals we bagged this year are Life Flight, Papillon Group - largest Aerial sightseeing company.

Our partnership with Third Party Solution providers such as GAINS System and AeroXchange has helped us serve our customers, better. We have also continued to enhance the Core Solution by releasing new features to the market such as Customer Portal, Parts Sales, Power-by-hour (PBH) Contracts, Manufacturing and OCR driven invoice processing.

We have gained the trust of 7 of the top 10 heli operators and also launched Aviation LITE solution repackaged for small operators, at the HAI Heli Expo in 2018, highlighting the scalability of our solution that can serve a fleet of 10 all the way upto 400+. 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.



# INNOVATION

Evolving on-the-go.  
Always a step ahead.

The world is waking up to the wonders of enterprise software. Findings by research firms reveal that enterprise application software spending is on the rise globally. Our winning combination of innovation and a customer-centric culture has produced another year of good results.

## No more friction: text and voice-based UIs are here

If a mechanic in a remote hangar gets his hands dirty and can't use a keyboard, how can they work? Our answer: voice command is here.

FY 18 witnessed clients adopting and going live on Ramco's multi-purpose bots which help users interact with the ERP system to address many day to day transactions with ease. The Ramco Chia bot, reacts to short messages based on deep learning and natural language processing, and helps in automating simple tasks. As time passes, the system understands the context better, gets smarter and anticipates users' needs, even prompting actions as needed.

These bots are primarily text-based. However, innovations on voice activation with Google Assistant and Alexa, have begun to brew in the lab. Users can apply for leave or restock depleted inventory using only their voice to log in. All this is part of a frictionless series we are rolling out, with more to come (think VoIP-based ERP transactions, which will allow you to complete tasks by programmatic phone calls).

All the investment and efforts invested in building bots have started yielding the desired results with good customer adoption and even leading research and advisory firms like, Gartner mentioning Ramco as one of the only two vendors to offer virtual assistance technology in workforce management.

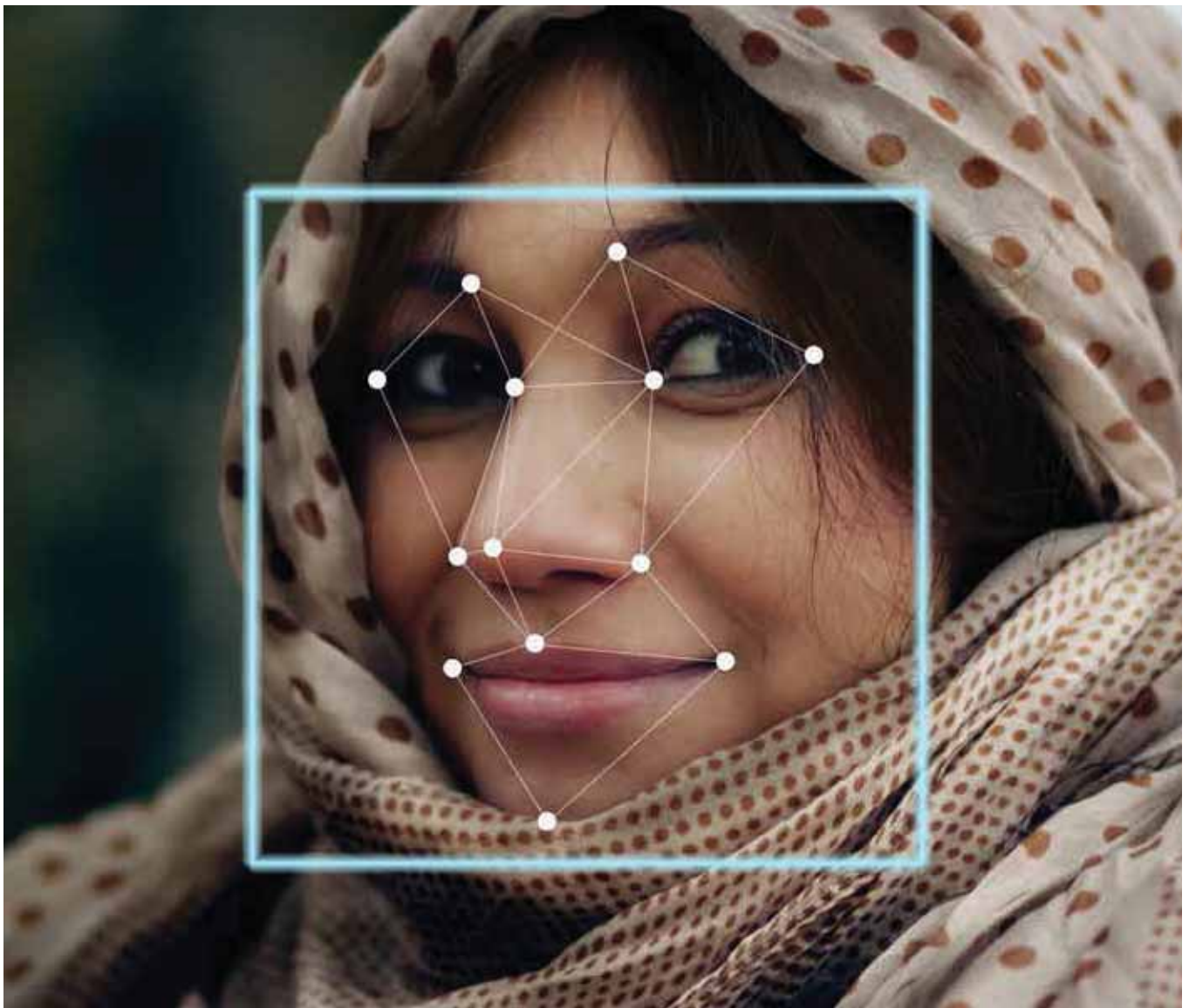


## Facial recognition

Managing Timesheet booking is a tedious one, especially in companies where revenue gets billed based on time and effort invested in projects by employees - which brings us to the latest addition to our frictionless computing series.

Ramco launched facial recognition-based Time & Attendance (T&A). No queues, no clicks, no IDs: the cameras recognize an employee's face, grant access and mark attendance instantly. This one-time registration even unlocks access at multiple locations in large offices, saving precious time and solving the problems associated with tailgating.

Ramco's facial recognition based T&A delivers advanced detection algorithms and maps multiple points on the image of a person's face against an existing image database. It has already revolutionized time and attendance at our Chennai, Gurgaon, Singapore, and Malaysia offices and is production ready to be implemented at client locations too. We have rolled this out as part of our HCM offerings and are exploring more use cases such as object recognition and pilot job card scanning, which will benefit compliance-heavy sectors like manufacturing and aviation.



## Organizational health check

How can one find and unblock the critical bottlenecks in an organisation that are impairing good business performance? Ramco developed Enterprise Cardiogram, a set of augmented analytics that can detect inefficiency and blockage in every process, analyse the data at hand to reveal the cause, and deliver insights in the form of reports and forecasts to unclog the value chain.

How does it work? The software creates time-based benchmarks for tasks and measures performance against each node, raising the alarm in real time should there be a delay. Prevention is better than cure, and the Enterprise Cardiogram is a pre-emptive strike that is essential to study the health of any company.

## APIs, blockchain and more

The world is moving toward an API-first economy, where businesses can collaborate with clients, vendors and any number of stakeholders in an environment of open and transparent communication. Whether the data is internal or external, it must be seamlessly accessible to the client to help make smarter business decisions without ever leaving the transaction screen. This is what we are trying to move towards too by building APIs with our standard offering.

In line with our dedication to accessibility and transparency, we are working with international providers to build breakthrough hybrid blockchain solutions. This combines features of public and private networks to speed up and secure transactions, ensuring authenticity and improving productivity by offering full visibility at any time on the chain of changes to a product throughout its lifetime.

In Singapore, our MRO Innovation Lab has teamed up with open-source blockchain developer XinFin FinTech Pte Ltd, which has a distributed ledger protocol on which we are building open and scalable architecture for our enterprise software. Through our partnership, we are working on many new blockchain use cases to solve problems in diverse companies and industries.

The innovation process at Ramco is triggered by both front-end (challenge identification and idea generation) and back-end (prototyping and implementation). We continually review, measure and improve our process to strike a right balance between achieving short-term wins (incremental innovations) and longer-term more disruptive innovations.

We expect our commitment to simplicity and user-friendliness to drive our growth in the year ahead – be it in fresh spins on existing technologies (bots and mobility) or new developments such as voice and facial recognition-based apps that help us shape a ‘frictionless’ world.





# CULTURE

## Fostering cutting-edge ideation and out-of-the-box thinking

At Ramco, the most significant innovation we successfully drove to fruition was the transformation of Ramco's core culture – from the traditional hierarchical approach to a culture where innovation and creativity were at the center.

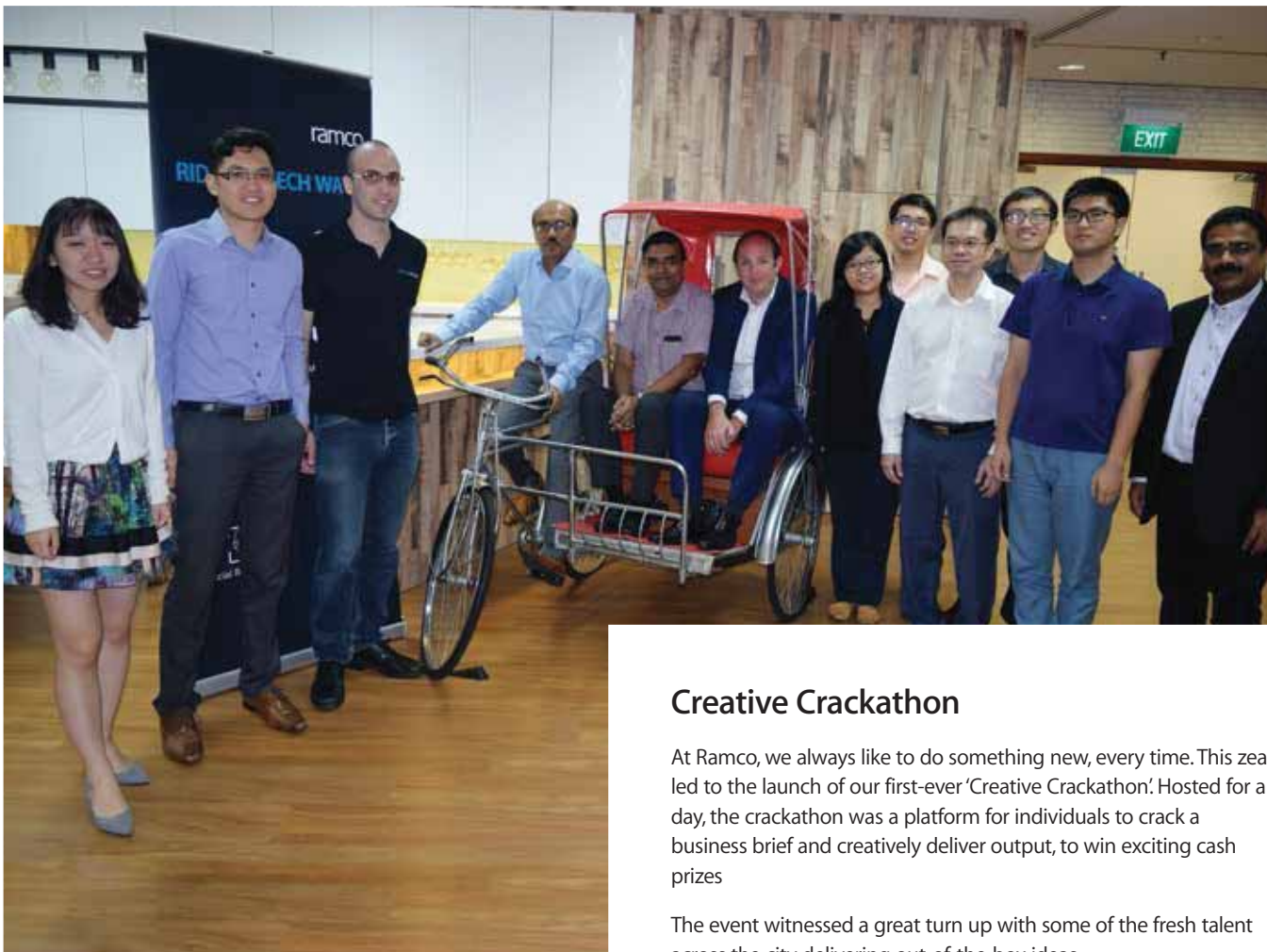
Our cultural innovation, #LifeAtRamco encompassed a relaxed atmosphere to our employees stimulating and encouraging creativity. Informal workstations, bright colours, and trendy meeting rooms indeed pepped up the work atmosphere at Ramco. Our hiring and training processes underwent significant transformation, with innovation and creativity being a key focus. User-friendly platforms encouraged open exchange of ideas, with innovative ideas being taken up at an organization level and pursued with focus.

The employee-friendly plans and options introduced also helped in reducing work stress significantly and encouraged a health-conscious living. Our focus on employee well-being paid off well during the year, with Yoga, Zumba, and Cross-Fit sessions running full-house. Every room within Ramco, right from the cafeteria to the workstations are bubbling zones of potential innovation, as teams work with a competitive spirit to be the next innovator, worthy of recognition.

With the quest to create a multi-cultural, multi-linguistic environment, the year witnessed associates from various nationalities, working towards a common goal. Our focus on building a culture of innovation transformed us in many ways and also benefited our customers, investors, employees, society and other stakeholders. The Ramco mantra of Thank God It's Monday says it all!



# CULTURE + INNOVATION = BUSINESS PERFORMANCE



## Creative Crackathon

At Ramco, we always like to do something new, every time. This zeal, led to the launch of our first-ever 'Creative Crackathon'. Hosted for a day, the crackathon was a platform for individuals to crack a business brief and creatively deliver output, to win exciting cash prizes

The event witnessed a great turn up with some of the fresh talent across the city delivering out-of-the-box ideas.

Our innovation powerhouse led to the development of numerous initiatives/inventions, during the year.

## Ramco Nuthouse opens to all the geeks out there

As a foray into new avenues of learning, this year witnessed the launch of Ramco's meet-up session – Ramco Nuthouse, on 'All things TECHY!' What started as an internal forum, soon developed into a city-wide Meetup attracting participation from tech enthusiasts across the city. From Deep learning, Bots, GIT/SVN/Mercurial, Automation, NLP, Hololens, NoSQL, to BIG DATA, multiple new technologies get discussed and deliberated here.



## Alumni Homecoming

While employee satisfaction has always been our priority, this year witnessed the homecoming of our alumni – the launch of our Alumni Program. We strongly believe that our ex-employees have a major role to play in the growth of our company. They've been the torch-bearers in the past and understand the brand, business and what it takes to get this going. Enabling a platform for connecting the alumni network with the latest happenings at Ramco has turned to be a great success.

## Learning something new every day!

With the organization strategy maturing at every stage, it was critical for us to upskill our workforce to remain successful. During the year, we successfully launched and conducted various workshops and training sessions that further kindled interest amongst the new recruits and employees –

- Our Project Management Professional program went global this year. This was extended to our global employees bridging time zone differences
- At Ramco we strongly believe in eating our own dog food and that's the primary reason Ramco's Learning Management System (LMS), as a single source for all employees learning needs, was extended as a part of the Pre-Joining Kit to campus recruits, to complete their courses
- All new functional hires were put through the L1 and L2 Internal Certifications before hitting the project space. By this process we were able to absorb skilled resources into the project
- New training on Powershell was organized for employees to learn and automate the Window's process



- Sharpening the Saw – this year also witnessed the introduction of an exclusive session for project managers, that helped them better understand the process involved in project management
- Learning Tidbits – With day long training session becoming passé, this year we launched capsule sessions for the employees on various topics, to save time and ensure productivity is maintained
- Monthly Quiz for all the SBUs, ensuring all employees participate and learn new concepts
- We also launched DecisionWorks Session Week for different types of audience covering right from Sales, Presales, Project Managers to developers

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



# Ramco Systems Limited, INDIA

## 3. DIVIDEND

Your Directors have not recommended any dividend for the financial year 2017-18.

## 4. INFORMATION ON SUBSIDIARIES AND ASSOCIATE

As on 31<sup>st</sup> March 2018, the Company has thirteen subsidiaries (including a step-down subsidiary) and an Associate. The Company's subsidiary in China, Ramco Systems (Shanghai) Co. Ltd., was incorporated on 3<sup>rd</sup> November 2016 and the capital was contributed on 25<sup>th</sup> August 2017 and 8<sup>th</sup> February 2018.

The Company's subsidiaries in Vietnam, Ramco System Vietnam Company Limited and in Indonesia, PT Ramco Systems Indonesia were incorporated on 3<sup>rd</sup> July 2017 and 11<sup>th</sup> October 2017 respectively. The capital contribution for the said subsidiaries were made on 28<sup>th</sup> September 2017 and 23<sup>rd</sup> March 2018 respectively.

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

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 Associate (in Form AOC-1) is attached to the financial statements.

The Company does not have any material subsidiary. 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>

## 5. CONSOLIDATED FINANCIAL STATEMENTS

As per the 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, in the same form and manner as that of its own and in accordance with the applicable accounting standards which shall also be laid before the Annual General Meeting (AGM) of the Company. Accordingly, the consolidated financial statements incorporating the accounts of Subsidiary Companies and Associate Company along with the Auditors' Report thereon forms part of this Annual Report.

As per Section 136(1) of the Companies Act, 2013 the financial statements including consolidated financial statements are available at the Company's website at the following link at <http://www.ramco.com/investor-relations/investor-information/subsidiary-financials>

Separate audited / reviewed accounts in respect of the subsidiary companies are also made available at the Company's website. The Company shall provide a copy of the same to any shareholder of the Company who asks for it.

## 6. CHANGES IN CAPITAL STRUCTURE

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

A total of 133,844 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
26 <sup>th</sup> April 2017	7,283
29 <sup>th</sup> May 2017	8,505
22 <sup>nd</sup> June 2017	13,931
21 <sup>st</sup> July 2017	12,489
21 <sup>st</sup> August 2017	14,585
11 <sup>th</sup> September 2017	9,089
13 <sup>th</sup> October 2017	12,276
2 <sup>nd</sup> November 2017	36,337
15 <sup>th</sup> December 2017	11,729
16 <sup>th</sup> January 2018	6,151
8 <sup>th</sup> March 2018	1,469
<b>Total</b>	<b>133,844</b>



## 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, KEY MANAGERIAL PERSONNEL AND COMMITTEES

As informed in the Board's Report for the year ended 31<sup>st</sup> March 2017, Shri P R Venketrama Raja, relinquished the post of Managing Director with effect from the closing hours of 3<sup>rd</sup> June 2017 and has been appointed as Chairman from 4<sup>th</sup> June 2017 consequent to the passing away of the then Chairman Shri P R Ramasubrahmaneya Rajha on 11<sup>th</sup> May 2017.

Shri P V Abinav Ramasubramaniam Raja was appointed 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 4<sup>th</sup> June 2017.

Shri P R Karthic was appointed as a whole time key managerial personnel in the position of Company Secretary with effect from 3<sup>rd</sup> July 2017.

The Independent Directors hold office for a fixed term of five (5) years and are not liable to retire by rotation.

The Board noted with deep regret the sudden demise of Shri V Jagadisan, an Independent Director on 16<sup>th</sup> March 2018. The Board placed on record the contributions made by Shri V Jagadisan and the guidance given by him to the Company during his tenure as a Director.

Shri Sankar Krishnan (DIN:01597033) has been co-opted as an Additional Director under Independent Director category to hold the office for five (5) consecutive years with effect from 11<sup>th</sup> May 2018, without being subject to retirement by rotation. Approval of the members for his appointment is being sought at the ensuing Annual General Meeting (AGM).

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.

Shri M M Venkatachalam (DIN:00152619) and Shri R S Agarwal (DIN:00012594) were appointed as Independent Directors for a period of five (5) years from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2019.

They are eligible for reappointment for another period of five (5) consecutive years as Independent Directors from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024. The Nomination and Remuneration Committee in its meeting held on 22<sup>nd</sup> May 2018 and Board of Directors at the meeting held on 23<sup>rd</sup> May 2018 have evaluated the performance of the Independent Directors and based on the contribution of the Directors, have recommended the reappointment of Shri M M Venkatachalam and Shri R S Agarwal. In accordance with Section 149(10) of the Companies Act, 2013, approval of the Members through special resolutions has been sought for their reappointment at the ensuing AGM.

Shri A V Dharmakrishnan (DIN:00693181), Non-Executive and Non Independent Director retires by rotation at the ensuing AGM of the Company and being eligible offers himself for reappointment. The Board of Directors recommends the above reappointment 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 AGM forming part of this Annual Report.

The Audit Committee had four members, out of which three were Independent Directors. The Committee has been reconstituted consequent to the demise of Shri V Jagadisan, who was a member, and continues to have four members as detailed in the Corporate Governance Report. 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.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors had in its meeting held on 6<sup>th</sup> November 2014 approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. As per Proviso to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly the following disclosures are given:

Salient features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- c) remuneration to Directors, Key Managerial Personnel and senior management shall be appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee is in compliance with the Companies Act, 2013 and LODR. The Nomination and Remuneration policy is available at the Company's website at the following link at <http://www.ramco.com/investor-relations/ramco-nomination-and-remuneration-policy.pdf>

As required under Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company has programmes for familiarisation for the Independent Directors. 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/DIRECTORS-FAMILIARISATION-PROGRAMME.pdf>

## 9. BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013 the Board of Directors have at their meeting held on 7<sup>th</sup> February 2018 made a formal annual evaluation of its own performance and that of its Committees and individual Directors including Independent Directors.

Pursuant to 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.

The above mentioned evaluations were made taking into account the criteria laid down in this regard by the Nomination and Remuneration Committee like attendance, expertise and contribution made.

## 10. BOARD AND COMMITTEE MEETINGS

During the year five Board Meetings were held. The details of the number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director are given in the Corporate Governance Report.

## 11. SECRETARIAL STANDARDS

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirm that the Company has complied with applicable Secretarial Standards.

## 12. 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.

## 13. 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.

## 14. 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 and 35 forming part of standalone financial statements.

## 15. AUDITORS

### (I) STATUTORY AUDITOR

M/s.M.S.Jagannathan & N.Krishnaswami (FRN:001208S) have been appointed as the Statutory Auditors of the Company at the 20<sup>th</sup> AGM till the conclusion of the 25<sup>th</sup> AGM of the Company to be held in the year 2022.

The reports on both Standalone and Consolidated financial statements issued by M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants, viz. the Statutory Auditors for the year ended 31<sup>st</sup> March 2018, do not contain any qualification, reservation or adverse remark.

The Companies Amendment Act, 2017, had removed the necessity for ratification of the appointment of Statutory Auditors, by Members at every AGM during their tenure of appointment. Accordingly, the practice of seeking yearly ratification for the appointment of Statutory Auditors at the Annual General Meeting is dispensed with.

**(II) INTERNAL AUDITOR**

M/s. SRSV & Associates, Chartered Accountants, (FRN:015041S) have been appointed as the Internal Auditors of the Company.

**(III) SECRETARIAL AUDITOR**

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 31<sup>st</sup> March 2018 is attached herewith as **Annexure A**. The report does not contain any qualification, reservation or adverse remark.

Note: None of the Auditors of the Company have reported any fraud specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

**16. 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**.

**17. 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 2017-18 was Rs.4.14 Mln., out of which Rs.2.78 Mln. was spent during the year and the balance has been spent as on the date of this report. Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure C**.

**18. 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 at [www.ramco.com](http://www.ramco.com)

**19. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place a Policy on Prevention and Redressal of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Policy is available in the intranet for access by employees. During the financial year, no complaints were received by the Internal Complaints Committee.

**20. 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.

**21. RELATED PARTY TRANSACTIONS**

Prior approval / omnibus approval have been obtained from Audit Committee for all Related Party Transactions 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.

# Ramco Systems Limited, INDIA

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>

## 22. 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**.

## 23. EMPLOYEE STOCK OPTION PLANS / SCHEMES 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 Plans / Schemes (ESOP / ESOS) 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 plans / schemes are in compliance with the SEBI Regulations. During the year under review, no changes were made in the above said plans / schemes. Details regarding the above mentioned plans / schemes along with their status are annexed to, and forms part of, this report as **Annexure E**. In addition, the following details are disclosed.

- 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 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\\_2017-18.pdf](http://www.ramco.com/investor-relations/ramco_annual_report_2017-18.pdf)

Further, a certificate from Statutory Auditors, with respect to implementation of the above Employee 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.

## 24. 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 Secretarial 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**.

## 25. 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**.



## 26. BUSINESS RESPONSIBILITY REPORT (BRR)

As required by Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the top 500 listed companies based on the market capitalisation at 31<sup>st</sup> March of every financial year, shall provide a describing the initiatives taken by the Company from an environmental, social and governance perspective. Since the Company had provided a BRR for the year ended 31<sup>st</sup> March 2017, the Company had provided the BRR for this financial year too. Same is enclosed as **Annexure J**, in the format prescribed by SEBI vide its Circular No: CIR/CFD/CMD/10/2015 dated 4<sup>th</sup> 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.

## 27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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.

## 28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER 31<sup>ST</sup> MARCH 2018

There are no material changes and commitments affecting the financial position of the Company which have occurred between the 31<sup>st</sup> March 2018 and the date of this report, except as otherwise disclosed in this Report.

## 29. 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 31<sup>st</sup> March 2018, 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 31<sup>st</sup> March 2018 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.

## 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 : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

### Form No. MR-3

#### Secretarial Audit Report for the financial year ended 31st March 2018

[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 ('the Company') during the financial year from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 ('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 and statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March 2018 but before the issue of this report;
- (ii) Compliance report on all laws applicable to the Company given by the Chief Executive Officer and the Chief Financial Officer of the Company and taken on record by the Board of Directors; and
- (iii) 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 31<sup>st</sup> March 2018, the Company has complied with the statutory provisions listed hereunder; and also has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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 by the Company and furnished for our verification, the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) The Foreign Exchange Management Act, 1999, and the rules and 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 the 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; 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 specifically applicable to the Company's STP unit in Chennai ('specific law').
  - (vii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').
  - (viii) Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and Secretarial Standards on 'General Meetings' (SS-2), issued by The Institute of Company Secretaries of India ('Secretarial Standards'). Secretarial Standards on 'Dividend' (SS-3), being non-mandatory, was not required to be complied with by the Company.
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2018 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) The Company has complied with the applicable provisions of the Acts, Rules and Specific law mentioned in sub-paragraphs (i), (ii) and (vi) of paragraph 1.1 above.
  - (ii) The Company has complied with the applicable provisions of the SEBI Regulations and Listing Agreements mentioned in sub-paragraphs (v) and (vii) of paragraph 1.1 above except that the Chairperson of the Audit Committee, Mrs. Soundara Kumar, was not present at the 20<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August 2017 ('the AGM') as required under Regulation 18(1)(d) of LODR and Mr. M. M. Venkatachalam, the previous Chairman of the Audit Committee, represented the Committee at the AGM.
  - (iii) The Company has generally complied with the applicable provisions of the Acts, Rules, Regulations and Secretarial Standards mentioned in sub-paragraphs (iii), (iv) and (viii) of paragraph 1.1 above.
- 1.3. We are informed that, during/ in respect of the year, in view of non-occurrence of certain events, the Company was not required to comply with the following laws/ rules/ 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).
  - (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- 1.4. Considering the nature of the Company's business, no other law other than that specified in paragraph 1.1 (vi) above, was specifically applicable to the Company, the compliance with which we are specifically required to report on.

## 2. Board processes

### We further report that:

#### 2.1 Board constitution and balance

- (a) The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and LODR.
- (b) As on 31<sup>st</sup> March 2018, the Board has:
  - (i) One Executive Director;
  - (ii) Two Non- Executive Non-Independent Directors; and
  - (iii) Three Non-Executive Independent Directors, including One Woman director.

- (c) The disqualification of Mr. Radheyshyam Agarwal (DIN: 00012594), an Independent Director, under Section 164(2)(a) of the Companies Act, 2013, from being appointed as a director for five years from 1<sup>st</sup> November 2016 to 31<sup>st</sup> October 2021, was set aside by the Delhi High Court vide an order dated 11<sup>th</sup> January 2018, subject to any further order that may be passed by the Registrar of Companies, Delhi, on consideration of his representation. Mr. Radheyshyam Agarwal has continued to act as an Independent director of the Company without any break in tenure and has also furnished a declaration dated 1<sup>st</sup> April 2018 confirming that he was not disqualified for appointment/ re-appointment as a director under Section 164(2) of the Act. The composition of the Board and Committees, even without considering the said director, was in compliance with the requirement under the Act as well as LODR.
- (d) Consequent to the non-joining of a whole-time key managerial personnel in the position of Company Secretary under Section 203(1)(ii) of the Act, who was appointed by the Board of Directors at their meeting held on 7<sup>th</sup> February 2017, in the place of the earlier incumbent who had resigned with effect from 6<sup>th</sup> December 2016, the Board of Directors, at their meeting held on 30<sup>th</sup> May 2017, approved the appointment of another Company Secretary, effective from the date of his joining. The Company Secretary so appointed joined the Company with effect from 3<sup>rd</sup> July 2017 and was also appointed as the Compliance Officer under Regulation 6(1) of LODR from that date.
- (e) The following changes took place in the composition of the Board of Directors during the year, in compliance with the provisions of the Act and LODR, wherever applicable:
  - (i) Cessation of Shri P R Ramasubrahmaneya Rajha (DIN: 00331357), Non-Executive Non-Independent Director, as a Director, on account of his death on 11<sup>th</sup> May 2017.
  - (ii) Cessation of Shri P R Venketrama Raja (DIN: 00331406), as Managing Director, with effect from closing hours of 3<sup>rd</sup> June 2017, his appointment as Non-Executive Chairman liable to retire by rotation, with effect from 4<sup>th</sup> June 2017, and his re-appointment as a director on retirement by rotation at the 20<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August 2017.
  - (iii) 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, not liable to retire by rotation, for a period of 5 (five) years from 4<sup>th</sup> June 2017 to 3<sup>rd</sup> June 2022, which was approved by the members at the 20<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August 2017.
  - (iv) Cessation of Shri V Jagadisan (DIN: 00058769), Non-Executive Independent Director, as a Director, on account of his death on 16<sup>th</sup> March 2018.

## 2.2 Board meetings

- (a) Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings; and Notice of Board meetings were sent at least seven days in advance, except in respect of 1 (one) meeting which was convened at a shorter notice to transact urgent business, at which meeting atleast one Independent director was present.
  - (b) Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings except in respect of 1 (one) meeting which was convened at a shorter notice to transact urgent business. However, the following items were either circulated separately or at the Board meetings with the requisite consent as per SS-1:
    - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as financial statements / results and related matters; and
    - (ii) Additional subjects/ information/ presentations and supplementary notes.
- 2.3 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.
- 2.4 We note from the Minutes that, at the Board meetings held during the year:
- (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 captured and 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 the Company's 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 expanding business operations and increasing legal requirements.

### 4. Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the Company's affairs took place in pursuance of the above referred laws, rules and regulations:

#### (a) Allotment of shares under ESOP

An aggregate of 1,33,844 Equity Shares of Rs. 10/- each were allotted for cash at the applicable exercise prices to eligible employees of the Company (including 33,750 Equity shares allotted to Shri A V Dharmakrishnan, Non-executive Non-Independent Director) under various Employees Stock Option Schemes.

#### (b) Incorporation of wholly-owned subsidiaries

The following wholly-owned overseas subsidiaries were incorporated during the year:

- (i) Ramco System Vietnam Company Limited, Vietnam
- (ii) PT Ramco Systems Indonesia, Indonesia

#### (c) Investment in wholly-owned subsidiaries

Investments / further investments were made in wholly-owned subsidiaries as follows:

- (i) AUD 9,378,000 in Ramco Systems Australia Pty Ltd., Australia
- (ii) CNY 1,000,000 in Ramco Systems (Shanghai) Co. Ltd., China
- (iii) IDR 3,375,000,000 in PT Ramco Systems Indonesia, Indonesia
- (iv) SGD 12,295,000 in Ramco Systems Pte. Ltd., Singapore
- (v) VND 5,625,000,000 in Ramco System Vietnam Company Limited, Vietnam.
- (vi) ZAR 19,350,000 in RSL Enterprise Solutions (Pty) Ltd., South Africa.

#### (d) Loans to wholly-owned subsidiaries

Loans were given to wholly-owned subsidiaries as follows:

- (i) AUD 5,610,000 to Ramco Systems Australia Pty Ltd., Australia
- (ii) AED 250,000 to Ramco Systems FZ-LLC, Dubai
- (iii) USD 1,227,545 to Ramco Systems Sdn. Bhd., Malaysia
- (iv) USD 600,000 to Ramco System Inc., Philippines
- (v) SGD 6,665,000 to Ramco Systems Pte. Ltd., Singapore
- (vi) ZAR 16,300,000 to RSL Enterprise Solutions (Pty) Ltd., South Africa

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

**K. Sriram,**  
Partner.

Date : 23<sup>rd</sup> May 2018  
Place : Chennai

Membership No: **F6312**  
Certificate of Practice No: **2215**

# Ramco Systems Limited, INDIA

## 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 31<sup>st</sup> March 2018 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 2018 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion / certification 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.

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

**K. Sriram,**  
**Partner.**

Date : 23<sup>rd</sup> May 2018  
Place : Chennai

Membership No: **F6312**  
Certificate of Practice No: **2215**

**Annexure B**

**Form No. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

for the financial year ended on 31<sup>st</sup> March 2018 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	:	19 <sup>th</sup> 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	



# Ramco Systems Limited, INDIA

## 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 26, 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, Block 3 B, Level 5 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, 2 <sup>nd</sup> 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, 1 <sup>st</sup> 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, Melbourne, 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. Unit No. 336 Suite B, Floor 3 No 99 Gongping Road, Hongkou District, Shanghai	NA	Subsidiary	100%	2(87)(ii)
12.	PT Ramco Systems Indonesia The Executive Center, Suite 28 at Level 30, South Tower, Sampoerna Strategic Square, Jl. Jend. Sudirman Kav. 45-46, Jakarta	NA	Subsidiary	100%	2(87)(ii)
13.	Ramco System Vietnam Company Limited Room 24, 16 <sup>th</sup> Floor, Saigon Tower, 29 Le Duan Boulevard, District 1, Ho Chi Minh City	NA	Subsidiary	100%	2(87)(ii)
14.	City Works (Pty) Limited (earlier known as Redlex 47 (Pty) Limited) No 5, Walnut Road, 3 <sup>rd</sup> 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 (01-04-2017)			% of Total Shares	No. of Shares held at the end of the year (31-03-2018)			% 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	12.37	33,53,366	-	33,53,366	10.98	(1.39)
(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	12.37	33,53,366	-	33,53,366	10.98	(1.39)
(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	7,87,404	-	7,87,404	2.59	11,90,182	-	11,90,182	3.90	1.31
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	1,21,75,979	-	1,21,75,979	40.05	1,21,75,979	-	1,21,75,979	39.87	(0.18)
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(b)(1)	1,29,63,383	-	1,29,63,383	42.64	1,33,66,161	-	1,33,66,161	43.77	1.13
(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)	1,67,24,527	-	1,67,24,527	55.01	1,67,19,527	-	1,67,19,527	54.75	(0.26)

# Ramco Systems Limited, INDIA

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2017)			% of Total Shares	No. of Shares held at the end of the year (31-03-2018)			% of Total Shares	% of Change during the Year
	Demat	Physical	Total		Demat	Physical	Total		
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	27,02,424	300	27,02,724	8.89	26,88,662	300	26,88,962	8.80	(0.09)
(b) Banks/FI	50,548	150	50,698	0.17	52,690	150	52,840	0.17	0.01
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	880	-	880	-	-	-	-	-	-
(g) FIs	5,39,358	-	5,39,358	1.77	4,77,358	-	4,77,358	1.56	(0.21)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others									
(a) Foreign Portfolio Investor (Corporate)	35,74,913	-	35,74,913	11.76	37,02,595	-	37,02,595	12.12	0.36
(b) Alternate Investment Funds	-	-	-	-	2,10,067	-	2,10,067	0.70	0.70
Sub-Total (B)(1)	68,68,123	450	68,68,573	22.59	71,31,372	450	71,31,822	23.35	0.76
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	7,33,063	559	7,33,622	2.41	8,67,727	559	8,68,286	2.84	0.43
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals	-		-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	27,40,145	1,21,276	28,61,421	9.41	26,66,820	1,07,816	27,74,636	9.09	(0.32)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19,58,471	85,567	20,44,038	6.72	20,42,528	85,567	21,28,095	6.97	0.25
(c) Others (Specify)									
Clearing Member	1,18,757	-	1,18,757	0.39	16,645	-	16,645	0.05	(0.34)
Foreign Nationals	10,178	4,100	14,278	0.05	10,178	4,100	14,278	0.05	-
Hindu Undivided Families	2,87,131	-	2,87,131	0.94	2,53,485	-	2,53,485	0.83	(0.11)
Non Resident Indians	7,52,992	-	7,52,992	2.48	6,32,409	-	6,32,409	2.07	(0.41)
Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	66,00,737	2,11,502	68,12,239	22.40	64,89,792	1,98,042	66,87,834	21.90	(0.50)
Total Public Shareholding (B) = (B) (1) + (B) (2)	1,34,68,860	2,11,952	1,36,80,812	44.99	1,36,21,164	1,98,492	1,38,19,656	45.25	0.26
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,01,93,387	2,11,952	3,04,05,339	100.00	3,03,40,691	1,98,492	3,05,39,183	100.00	

(ii) Shareholding of Promoters / Promoter Group:

(a) Promoter

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% of Change in shareholding 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	1.7882	-	-	-	-	-1.7882
2.	Shri P R Venketrama Raja	32,17,441	10.5818	0.49	33,53,366	10.9805	0.49	0.3987
	<b>Total</b>	<b>37,61,144</b>	<b>12.3700</b>	<b>0.49</b>	<b>33,53,366</b>	<b>10.9805</b>	<b>0.49</b>	<b>-1.3895</b>

(b) Promoter Group

1.	Ramco Industries Limited	54,67,376	17.9816	-	54,67,376	17.9028	-	-0.0788
2.	The Ramco Cements Limited	54,17,810	17.8186	-	54,17,810	17.7405	-	-0.0781
3.	The Ramaraju Surgical Cotton Mills Limited	12,739	0.0419	-	12,739	0.0417	-	-0.0002
4.	Smt. Nalina Ramalakshmi	1,86,724	0.6141	-	3,22,649	1.0565	-	0.4424
5.	Smt. Saradha Deepa	1,36,029	0.4474	-	2,66,954	0.8741	-	0.4268
6.	Smt. R Sudarsanam	1,54,687	0.5087	-	2,90,615	0.9516	-	0.4429
7.	Smt. P V Nirmala	11,902	0.0391	-	11,902	0.0390	-	-0.0002
8.	Shri P V Abinav Ramasubramaniam Raja	1,10,332	0.3629	-	1,10,332	0.3613	-	-0.0016
9.	Smt. B Srisandhya Raju	1,10,670	0.3640	-	1,10,670	0.3624	-	-0.0016
10.	Smt. R Chittammal	77,060	0.2534	-	77,060	0.2523	-	-0.0011
11.	Ramco Agencies Private Limited	1,388	0.0046	-	1,388	0.0045	-	0.0000
12.	Ramco Private Ltd.	3,713	0.0122	-	3,713	0.0122	-	-0.0001
13.	Rajapalayam Mills Limited	7,33,531	2.4125	-	7,33,531	2.4019	-	-0.0106
14.	Ramco Management Private Limited	300	0.0010	-	300	0.0010	-	0.0000
15.	Ontime Industrial Services Limited	5,39,122	1.7731	-	5,39,122	1.7653	-	-0.0078
	<b>Total</b>	<b>1,29,63,383</b>	<b>42.6352</b>	<b>-</b>	<b>1,33,66,161</b>	<b>43.7673</b>	<b>-</b>	<b>1.1320</b>

\* 5,43,703 (1.79%) of equity shares of Rs.10/- each held by Shri P R Ramasubrahmaneya Rajha, a Promoter, were transmitted due to his demise on 11<sup>th</sup> May 2017 to the following Promoter and Promoter Group of the Company, by way of Inter-Se Transfer, during the quarter ended June 30, 2017:

- 1,35,925 equity shares of Rs.10/- each to Shri P R Venketrama Raja. Hence, his holding has increased from 32,17,441 to 33,53,366.
- 1,35,925 equity shares of Rs.10/- each to Smt. Nalina Ramalakshmi. Hence, her holding has increased from 1,86,724 to 3,22,649.
- 1,35,925 equity shares of Rs.10/- each to Smt. Saradha Deepa. Hence, her holding has increased from 1,36,029 to 2,66,954.
- 1,35,928 equity shares of Rs.10/- each to Smt. R Sudarsanam. Hence, her holding has increased from 1,54,687 to 2,90,615.

# Ramco Systems Limited, INDIA

## (iii) Change in Promoters / Promoter Group Shareholding:

### (a) Promoter

Sl. No.	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	37,61,144	12.37	1-Apr-2017	5,43,703	Interse Transfer	32,17,441	10.54
			02-Jun-2017	1,35,925	Interse Transfer	33,53,366	11.02
	33,53,366	10.98	31-Mar-2018				

### (b) Promoter Group

1.	1,29,63,383	42.64	01-Apr-17				
			19-Apr-17	(1,062)	Sale	1,29,62,321	42.63
			20-Apr-17	(3,938)	Sale	1,29,58,383	42.62
			02-Jun-17	4,07,778	Interse Transfer	1,33,66,161	43.94
	1,33,66,161	43.77	31-Mar-18				

## (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 (01-04-2017) / end of the year (31-03-2018)		Date*	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	4.55	01-Apr-17	-	-		
		13,83,900	4.53	31-Mar-18				
1b	HDFC Trustee Company Limited-HDFC Prudence Fund	8,63,500	2.84	01-Apr-17	-	-		
		8,63,500	2.83	31-Mar-18				
2a	J O Hambro Capital Management Umbrella Fund PLC J O Hambro Capital Management Asia Ex Japan Fund	11,00,176	3.62	01-Apr-17				
				11-Aug-17	50,000	Purchase	11,50,176	3.78
				18-Aug-17	4,620	Purchase	11,54,796	3.79
				25-Aug-17	30,371	Purchase	11,85,167	3.89
				01-Sep-17	6,351	Purchase	11,91,518	3.91
				13-Oct-17	52,195	Purchase	12,43,713	4.08
		12,43,713	4.07	31-Mar-18				

Sl. No.	Name	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)		Date*	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	0.74	01-Apr-17				
				07-Apr-17	(17,059)	Sale	2,07,615	0.68
				19-May-17	(20,959)	Sale	1,86,656	0.61
				30-Jun-17	(806)	Sale	1,85,850	0.61
				07-Jul-17	(10,723)	Sale	1,75,127	0.58
				04-Aug-17	(8,960)	Sale	1,66,167	0.55
				01-Sep-17	(3,058)	Sale	1,63,109	0.54
				08-Sep-17	(18,826)	Sale	1,44,283	0.47
				22-Sep-17	(9,613)	Sale	1,34,670	0.44
				29-Sep-17	(20,043)	Sale	1,14,627	0.38
				06-Oct-17	(10,377)	Sale	1,04,250	0.34
				13-Oct-17	(85,355)	Sale	18,895	0.06
				20-Oct-17	(18,895)	Sale	-	-
		-	-	31-Mar-18				
3	Goldman Sachs India Fund Limited	7,75,019	2.55	01-Apr-17				
				07-Apr-17	35,338	Purchase	8,10,357	2.67
		8,10,357	2.65	31-Mar-18				
4	Johcm Asia Ex-Japan Equity Fund	6,01,795	1.98	01-Apr-17				
				11-Aug-17	(60,000)	Sale	5,41,795	1.78
				18-Aug-17	802	Purchase	5,42,597	1.78
				25-Aug-17	5,271	Purchase	5,47,868	1.80
				01-Sep-17	1,101	Purchase	5,48,969	1.80
				13-Oct-17	30,361	Purchase	5,79,330	1.90
		5,79,330	1.90	31-Mar-18				
5a	BT Funds Management Limited as Trustee of BT Asian Share Fund	5,39,358	1.77	01-Apr-17				
				14-Jul-17	(5,39,358)	Sale	-	-
		-	-	31-Mar-18				
5b	BT Funds Management Limited as Trustee of BT Asian Share Fund	-	-	01-Apr-17				
				14-Jul-17	5,39,358	Purchase	5,39,358	1.77
				11-Aug-17	(62,000)	Sale	4,77,358	1.57
		4,77,358	1.56	31-Mar-18				
6a	Ravikumar Ramkishore Sanwalka	4,64,249	1.53	01-Apr-17				
				16-Mar-18	2,950	Purchase	4,67,199	1.53
		4,67,199	1.53	31-Mar-18				
6b	Ravi R Sanwalka	-	-	01-Apr-17				
				14-Jul-17	300	Purchase	300	-
				21-Jul-17	1,300	Purchase	1,600	0.01
				04-Aug-17	1,150	Purchase	2,750	0.01
				11-Aug-17	300	Purchase	3,050	0.01
				23-Mar-18	3,000	Purchase	6,050	0.02
		6,050	0.02	31-Mar-18				
7a	Sundaram Mutual Fund A/C Sundaram Smile Fund	3,75,024	1.23	01-Apr-17				
				02-Jun-17	(5,024)	Sale	3,70,000	1.22
		3,70,000	1.21	31-Mar-18				

## Ramco Systems Limited, INDIA

Sl. No.	Name	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)		Date*	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7b	Sundaram Mutual Fund A/C Sundaram Long Term Micro Cap Tax Advantage Fund Series III	80,000	0.26	01-Apr-17				
				21-Jul-17	(52,000)	Sale	28,000	0.09
		28,000	0.09	31-Mar-18				
8	Virender Aggarwal	3,49,583	1.15	01-Apr-17				
				02-Jun-17	(50,000)	Sale	2,99,583	0.98
				17-Aug-17	(44,692)	Sale	2,54,891	0.84
				18-Aug-17	(5,308)	Sale	2,49,583	0.82
				10-Nov-17	(500)	Sale	2,49,083	0.82
				13-Nov-17	(24,500)	Sale	2,24,583	0.74
		2,24,583	0.74	31-Mar-18				
9	TFL Pension Fund	3,14,906	1.04	01-Apr-17		-	-	-
		3,14,906	1.03	31-Mar-18				
10	Abu Dhabi Investment Council - (JOHO)	3,07,548	1.01	01-Apr-17				
				11-Aug-17	72,000	Purchase	3,79,548	1.25
		3,79,548	1.24	31-Mar-18				

\* 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(01-04-2017) / end of the year (31-03-2018)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	1.79	01-Apr-17				
				02-Jun-17	(5,43,703)	Interse Transfer	-	-
		-	-	31-Mar-18			-	-
2	Shri P R Venketrama Raja	32,17,441	10.58	01-Apr-17			-	-
				02-Jun-17	1,35,925	Interse Transfer	33,53,366	11.02
		33,53,366	10.98	31-Mar-18				
3	Shri A V Dharmakrishnan	1,36,942	0.45	01-Apr-17				
				02-Nov-17	33,750	Allotment of shares upon exercise of stock options	1,70,692	0.56
		1,70,692	0.56	31-Mar-18				
3	Shri P.V. Abinav Ramasubramaniam Raja	1,10,332	0.36	01-Apr-17				
		1,10,332	0.36	31-Mar-18				

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

**(b) Shareholding of Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri Virender Aggarwal (CEO)	3,49,583	1.15	01-Apr-17		Sale of shares as per trading plan		
				02-Jun-17	(50,000)		2,99,583	0.98
				17-Aug-17	(44,692)		2,54,891	0.84
				18-Aug-17	(5,308)		2,49,583	0.82
				10-Nov-17	(500)		2,49,083	0.82
				13-Nov-17	(24,500)		2,24,583	0.74
		2,24,583	0.74	31-Mar-18				
2	Shri R. Ravi Kula Chandran (CFO)	32,145	0.11	01-Apr-17		Allotment of shares upon exercise of stock options		
				26-Apr-17	1,876		34,021	0.11
				11-Sep-17	6,560		40,581	0.13
				02-Nov-17	1,874		42,455	0.14
		42,455	0.14	31-Mar-18				
3.	Shri P R Karthic (Company Secretary) Joined on 3 <sup>rd</sup> July 2017	-	-	01-Apr-17			-	-
		-	-	31-Mar-18			-	-

**V. INDEBTEDNESS:**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	50.00	-	-	50.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>50.00</b>	<b>-</b>	<b>-</b>	<b>50.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	354.80	1,641.98	-	1,996.78
Reduction	316.36	1,363.98	-	1,680.34
<b>Net Change</b>	<b>38.44</b>	<b>278.00</b>	<b>-</b>	<b>316.44</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	88.40	278.00	-	366.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>88.44</b>	<b>278.00</b>	<b>-</b>	<b>366.44</b>

# Ramco Systems Limited, INDIA

## 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	Name of Manager / WTD
		Shri P R Venketrama Raja (upto 3rd June 2017)	Shri P V Abinav Ramasubramaniam Raja (from 4th June 2017)
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,89,000	8,91,000
	(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.	Commission - as % of profit	-	-
3.	Contribution to Provident Fund	15,120	71,280
4.	Contribution towards Superannuation Fund / NPS	-	89,100
5.	Medical Reimbursement	-	-
6.	Gratuity on accrual basis	-	28,561
7.	Sitting Fees	15,000	60,000
	<b>Total (A)</b>	<b>2,19,120</b>	<b>11,39,941</b>
	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 upto 3<sup>rd</sup> June 2017 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 upto 3<sup>rd</sup> June 2017 was Rs.74,92,607/-.

Shri P V Abinav Ramasubramaniam Raja is the Managing Director of Ramco Industries Ltd from 4<sup>th</sup> June 2017 from where he drew remuneration, subject to his aggregate remuneration drawn from both the Companies limited to the higher of 3% of the net profits of the Company or Ramco Industries Ltd. His remuneration from Ramco Industries Ltd., during that period was Rs.2,07,56,921/-.

### B. Remuneration to Other Directors: (Rs.)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Shri P R Venketrama Raja (from 4 <sup>th</sup> June 2017 )	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	1,65,000	-	90,000	1,35,000	5,25,000
	<b>Total (1)</b>	-	<b>1,35,000</b>	<b>1,65,000</b>	-	<b>90,000</b>	<b>1,35,000</b>	<b>5,25,000</b>
2.	Other Non Executive Directors							
	Fee for attending board / committee meetings	60,000	-	-	1,50,000	-	-	2,10,000
	Others - Stock options exercised during the year	-	-	-	Please refer Annexure F-3(d)(iii)	-	-	-
	<b>Total (2)</b>	<b>60,000</b>	-	-	<b>1,50,000</b>	-	-	<b>2,10,000</b>
	<b>Total (B) = (1+2)</b>	<b>60,000</b>	<b>1,35,000</b>	<b>1,65,000</b>	<b>1,50,000</b>	<b>90,000</b>	<b>1,35,000</b>	<b>7,35,000</b>
	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						
	<b>Total Managerial Remuneration (A+B)*</b>							<b>20,94,061 + stock options exercised.</b>

\*Represents the total of remuneration to Managing Director, Manager / WTD 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 P R Karthic Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,02,272	5,41,696	65,43,968
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	20,97,367	-	20,97,367
	(c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option granted / exercised during the year (in numbers)	10,310 options exercised	-	-
3.	Others, Retirement benefits	7,35,598	28,609	7,64,207
	<b>Total (excluding sl.no. 2)</b>	<b>88,35,237</b>	<b>5,70,305</b>	<b>94,05,542</b>

**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 USD1.05 million (Rs.67.51 million) including USD0.01 million (Rs.0.62 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)
<b>COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

**For and on Behalf of the Board**

Place : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

### 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:

- 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.
- To generate, through its CSR initiatives, a community goodwill for Ramco Systems Limited (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:

- Shri P R Venketrama Raja
- Shri M M Venkatachalam
- Shri A V Dharmakrishnan

3. Average net profit of the Company u/s 198 for the last three financial years (FY 2014-15 to 2016-17) = Rs.206.93 Mln.

4. Prescribed CSR expenditure = Rs.4.14 Mln. (2% of the amount as in item 3 above)

5. Details of CSR spent

- Total amount spent for the financial year = Rs. 2.78 Mln.
- Spent from 1<sup>st</sup> April 2018 to 23<sup>rd</sup> May 2018 = Rs. 1.36 Mln.
- Total = Rs. 4.14 Mln.

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 through 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	41,40,000	41,40,000*	41,40,000	Through Agency -Shri Abhinava Vidyatheertha Seva Trust

\*of this Rs.13,60,000 was spent in FY 18-19.

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. We have removed around 150 servers.
- (ii) Steps taken by the company for utilizing the alternate sources of energy: - NIL.
- (iii) Capital investment on energy conservation equipments:- NIL

**(B) Technology Absorption:**

- (i) Efforts made towards technology absorption:
  - PartAnywhere: We introduced a new “Part Anywhere” function which provides the buyer with a single aggregated view for a part across multiple supply sources – market places, suppliers, traders and even peer networks. The system uses real-time API based architecture to get the availability and other required details for the part (such as price, alternate parts etc.). The “Part Anywhere” platform also allows suppliers / MROs to publish their stock availability info, including surplus stock data providing them with global visibility of their parts on sale. Similarly, more on the anywhere series including RepairAnywhere, and SkillAnywhere are also being built.
  - Mobility: We have been continuously enhancing our mobile apps with newer & richer functions and features. Notable enhancements include Receiving and Stock transfer operations in warehousing app, specialized augmented PDFs with sign-off blocks, enhances Goods receipt, pick sheet among others.
  - Enterprise Cardiogram (ECG): A framework that allows users to efficiently manage the time based KPI metrics across the entire value chain of an organization. ECG is geared to spot bottlenecks that impact identified KPIs and represent them graphically using advanced visualizations.
  - Enterprise Fitbit: Ramco’s Fitbit is designed to manage and monitor application performance of all technical components, tools and processes that surround the application and ensure smooth functioning of the enterprise application.
  - Workflow: In line with our focus on improving usability and simplicity, we have significantly enhanced the look, feel and navigation of the workflow set up functions. With easy drag and drop combinations, rich text controls, interactive business rule definition, the dependence on any technical expertise is completely eliminated.
  - Chatbots: Aimed at enabling users chat with Bot to transact with the ERP. Machine learning is enabled by incorporating natural-language processing (NLP) to learn the varying conversation patterns of users, interpret the intent and provide the accurate information
  - Smart Tags: Ability to capture smart tags on documents, assets, resources and entities which can serve as additional dynamic dimensions based on which users can search, retrieve or report information.
  - NextGen Financials: Introduction of Dimensions in the product, for powerful analytics, along with user centric Hubs to improve usability and productivity and Smart popups in financials all aimed at moving towards an era of self-running financials

Adhering to Statutory Requirements in various Geographies

- UK VAT, GERMAN VAT
- UAE VAT & certification, Kingdom of Saudi Arabia (KSA) VAT
- India GST, GSP and e-way bill related enhancements
- Payroll Statutory for GCC countries built in the product
- Payroll Statutory for Nepal, Bangladesh & Sri Lanka added to the global payroll solution

## Ramco Systems Limited, INDIA

- Highly configurable rule builder added to the product through Next Gen payroll initiative which is capable of mapping to most of rule requirements across countries
- Multi-dimensional reconciliation tool to be used by implementation and customers to compare data across payroll and derive insights from payroll data
- Wide range of enhancements in Compensation planning function catering to requirements from multiple customers
- Time & Attendance module enhancements to cover end to end requirements of Philippines region

(ii) Benefits derived:

The benefits arising of the R&D efforts can be categorised as below:

- Product Improvements and increasing user experience for the end users which will help differentiate more sharply vis-à-vis competing products, leading to increased sales of the products. The improved usability and user experience also helps in lowering product support costs. Majority of the features released as mentioned above will fall in this category.
- Product Development in terms of additional countries for which Payroll engine is now available as a part of the product. This helps target new markets and also stay compliant with the payroll regulatory requirements prevalent in those countries.

(iii) Imported Technology - NIL.

(iv) Expenditure on R&D (Refer Schedule 5 to R&D Accounts)

(Rs. Mln.)

Particulars	Amount
Capital	-
Recurring	352.95
Total	352.95
Total R&D expenditure as a percentage of total revenue	12.39%

**(C) Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earned in terms of actual inflows :	1,736.45
Foreign Exchange Outgo in terms of actual outflows :	282.36

**For and on Behalf of the Board**

Place : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

## Annexure E

## DETAILS OF EMPLOYEE STOCK OPTION PLANS / SCHEMES

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

At the Extra-Ordinary General Meeting held on 28<sup>th</sup> 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 29<sup>th</sup> 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 27<sup>th</sup> 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 31<sup>st</sup> March 2018:

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)
12 <sup>th</sup> April 2001	1,26,150	2 to 3 years	254 per option	11,750 shares*	Nil
14 <sup>th</sup> December 2003	67,700	3 years	254 per option**	19,950 shares	Nil
4 <sup>th</sup> October 2006	87,500	3 years	177 per option***	Nil	734 exercisable till 3 <sup>rd</sup> 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., 23<sup>rd</sup> 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 23 <sup>rd</sup> 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 9<sup>th</sup> 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 29<sup>th</sup> September 2006 and 27<sup>th</sup> July 2007, as mentioned in (A) above.

# Ramco Systems Limited, INDIA

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 31<sup>st</sup> March 2018:

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)
14 <sup>th</sup> December 2003	4,64,500	3 years	284 per option*	37,975 shares*	Nil
1 <sup>st</sup> December 2005	9,200	3 years	266 per option	Nil	Nil
4 <sup>th</sup> October 2006	2,19,800	3 years	177 per option	Nil	944 exercisable till 3 <sup>rd</sup> October 2019
14 <sup>th</sup> 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., 23<sup>rd</sup> 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 23 <sup>rd</sup> 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 24<sup>th</sup> 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 29<sup>th</sup> 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 27<sup>th</sup> 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 31<sup>st</sup> March 2018:**

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)
1 <sup>st</sup> December 2005	1,00,000	4 years	315 per option	Nil	Nil
4 <sup>th</sup> October 2006	7,47,350	4 years	177 per option	1,500 shares	Nil
14 <sup>th</sup> July 2007	3,00,500	4 years	163 per option	Nil	Nil
31 <sup>st</sup> October 2007	1,62,000	4 years	156 per option	Nil	Nil
6 <sup>th</sup> February 2008	20,000	4 years	165 per option	Nil	Nil
7 <sup>th</sup> August 2008	20,750	4 years	100 per option	Nil	Nil

**(D) Employee Stock Option Scheme, 2008:**

At the Extra-Ordinary General Meeting held on 18<sup>th</sup> September 2008, the shareholders 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 11<sup>th</sup> April 2009. The options were surrendered vide Letter of Release dated 5<sup>th</sup> 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 11<sup>th</sup> 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.)
25 <sup>th</sup> June 2012	50,000	143 per share
23 <sup>rd</sup> August 2012	25,000	138 per share
7 <sup>th</sup> November 2012	50,000	125 per share
29 <sup>th</sup> July 2013	95,000	87 per share
7 <sup>th</sup> March 2014	65,000	241 per share
27 <sup>th</sup> March 2014	20,000	204 per share
<b>Total</b>	<b>3,05,000</b>	

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23<sup>rd</sup> 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:



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Plan	Original price (Rs.)	No. of options outstanding on 23 <sup>rd</sup> 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 2017-18”, 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 5<sup>th</sup> 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 27<sup>th</sup> 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 22<sup>nd</sup> 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 2<sup>nd</sup> 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 5<sup>th</sup> 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 17<sup>th</sup> 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 31<sup>st</sup> 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 8<sup>th</sup> 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 i.e., 23<sup>rd</sup> 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 23 <sup>rd</sup> 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 2017-18”, given at the end of this Annexure.

#### ESOS 2009 – Plan B:

The shareholders at the Twelfth Annual General Meeting held on 5<sup>th</sup> 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 2<sup>nd</sup> 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 5<sup>th</sup> 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 17<sup>th</sup> 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 8<sup>th</sup> 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

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Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 i.e., 23<sup>rd</sup> 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 2017-18”, 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 29<sup>th</sup> 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 11<sup>th</sup> May 2015 had granted 11,875 stock options @ Rs.10 each, 23,750 stock options @ Rs.307 each and 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 2017-18”, given at the end of this Annexure.

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

The shareholders vide postal ballot dated 12<sup>th</sup> 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., 5<sup>th</sup> August 2015, 21<sup>st</sup> November 2015, 9<sup>th</sup> February 2016 and 4<sup>th</sup> 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., 29<sup>th</sup> April 2016, 17<sup>th</sup> June 2016, 2<sup>nd</sup> August 2016, 30<sup>th</sup> August 2016 and 8<sup>th</sup> 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.

During the year 2017-18, the Nomination and Remuneration Committee had granted the following stock options on various dates viz., 29<sup>th</sup> May 2017, 21<sup>st</sup> July 2017, 11<sup>th</sup> September 2017, 13<sup>th</sup> October 2017, 2<sup>nd</sup> November 2017, 15<sup>th</sup> December 2017, 16<sup>th</sup> January 2018 and 8<sup>th</sup> March 2018 at various exercise prices viz., 45,000 stock options @ Rs.10 each, 12,500 stock options @ Rs.168 each, 5,000 stock options @ Rs.184 each, 10,000 stock options @ Rs.193 each, 2,500 stock options @ Rs.202 each, 7,500 stock options @ Rs.214 each, 22,500 stock options @ Rs.228 each, 17,500 stock options @ Rs.245 each, 12,500 stock options @ Rs.277 each, 6,250 stock options @ Rs.336 each, 2,500 stock options @ Rs.367 each, 5,000 stock options @ Rs.385 each, 1,250 stock options @ Rs.404 each, 3,750 stock options @ Rs.427 each, 11,250 stock options @ Rs.455 each, 8,750 stock options @ Rs.490 each and 6,250 stock options @ Rs.553 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 2017-18”, given at the end of this Annexure.

**Table 1 – Option movement during the year 2017-18:**

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	1,17,631	1,47,867	2,22,909	5,79,155	1,67,562	251.07
2.	Number of options granted during the year	-	-	-	-	1,80,000	223.90
3.	Number of options forfeited / lapsed during the year	11,450	17,107	17,755	51,076	43,860	279.72
4.	Number of options vested during the year	17,840	16,575	37,022	1,25,420	57,900	N.A.
5.	Number of options exercised during the year	1,889	6,140	37,348	88,804	11,959	130.57
6.	Number of shares arising as a result of exercise of options	1,889	6,140	37,348	88,804	11,959	N.A.
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	96,339	11,51,100	14,29,804	1,54,20,313	9,84,035	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.	N.A.
9.	Number of options outstanding at the end of the year	1,04,292	1,24,620	1,67,806	4,39,275	2,91,743	258.75
10.	Number of options exercisable at the end of the year	1,04,292	1,24,620	1,67,806	4,36,473	85,033	261.00
11.	Method of calculation of employee compensation cost	Fair Value, using Black Scholes Merton model					

## Ramco Systems Limited, INDIA

12.	Fair value of the options for the year 2017-18 (using Black Scholes Merton model)	Rs.14.39 Mln.			
13.	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	Not Applicable			
14.	The impact of the difference mentioned in Sl. No.13 above on profits and on EPS of the Company	Not Applicable			
15.	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	Weighted average exercise price per option is Rs.258.75 Weighted average fair value per option is Rs.297.31			
16.	Weighted average share price at the date of exercise	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 31 <sup>st</sup> March 2018 was Rs.383.76			
17.	Range of Exercise Prices & Weighted Average remaining contractual life	Sl. No.	Particulars	As at 31 <sup>st</sup> March 2018	
				No. of Options Outstanding	Range of Exercise Prices (Rs.)
					Weighted Average remaining contractual life (years)
		1.	ESOS 2008	1,04,292	51 to 230
		2.	ESOS 2009 – Plan A	1,24,620	10 to 356
		3.	ESOS 2009 – Plan B	1,67,806	10 to 356
		4.	ESOS 2013	4,39,275	10 to 696
		5.	ESOS 2014	2,91,743	10 to 1066
<b>Assumptions used during the year to estimate the fair value of options are given below:</b>					
i)	Weighted Average Market price	Rs. 408.50			
ii)	Weighted Average Exercise Price	Rs. 258.75			
iii)	Weighted Average Stock Volatility	10.58%			
iv)	Weighted Average Risk Free Interest Rate (%)	7.73			
v)	Weighted Average expected option life	10 years			
vi)	Weighted Average expected dividends	Dividend yield not considered			
vii)	Methodology for determination of volatility	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.			

**Table 2 – Details of options granted in Financial Year 2017-18 to (all grants under ESOS 2014):**

Key Managerial Personnel	NIL
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Shri Sandeep Ray – Vice President – Product & Strategy: 25,000 options (6,250 @ Rs.10 each, 12,500@Rs.168 each & 6,250 @ Rs.336 each)
	Shri Vedantam S Ayyangar – Associate Vice President: 20,000 options (5,000 @ Rs.10 each, 10,000 @ Rs.193 each & 5,000 @ Rs.385 each)
	Shri Assis Franklin – General Manager: 10,000 options (2,500 @Rs.10 each, 5,000 @ Rs.184 each & 2,500 @ Rs.367 each)
	Shri Anubhav Seth: 10,000 options (2,500 @ Rs.10 each, 5,000 @ Rs.228 each & 2,500 @ Rs.455 each)
	Shri Ganesh Govindarajan – General Manager: 10,000 options (2,500@ Rs.10 each, 5,000 @ Rs.228 each & 2,500 @ Rs.455 each)
	Shri Rajiv R- Vice President HR : 25,000 options (6,250 @ Rs.10 each, 12,500 @ Rs.228 each & 6,250 @ Rs.455 each)
	Shri Basanta Kumar Dash – Vice President:35,000 options (8,750 @ Rs.10 each, 17,500 @ Rs.245 each & 8,750 @ Rs.490 each)
	Shri Aditya Tikku- Associate Director: 10,000 options (2,500 @ Rs.10 each, 5,000 @ Rs.277 each & 2,500 @ Rs.553 each)
	Shri Raman Anantharaman Aiyar – Associate Director: 10,000 options (2,500 @ Rs.10 each, 5,000 @ Rs.277 each & 2,500 @ Rs.553 each)
	Shri Manik Sarkar – Associate Vice President: 10,000 options (2,500 @ Rs.10 each, 5,000 @ Rs.214 each & 2,500 @ Rs.427 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 : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

### REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule VI of SEBI (LODR) Regulations, 2015)

#### Company's Philosophy on Code of Corporate Governance

We are committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, we endeavor 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 31<sup>st</sup> March 2018.

#### 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 31<sup>st</sup> March 2018, 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 Managing Director (upto 3<sup>rd</sup> June 2017) and the Manager in the designation of Whole Time Director (from 4<sup>th</sup> June 2017), assisted by the Management Team headed by the Chief Executive Officer (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 and Category of Directors as on 31<sup>st</sup> March 2018

Sl. No.	Name of the Director	DIN	Category
1.	Shri P R Venketrama Raja	00331406	Chairman / Non Executive Promoter Director
2.	Shri P V Abinav Ramasubramaniam Raja	07273249	Manager / Executive Non Independent Director
3.	Shri M M Venkatachalam	00152619	Non Executive Independent Director
4.	Shri A V Dharmakrishnan	00693181	Non Executive Non Independent Director
5.	Shri R S Agarwal	00012594	Non Executive Independent Director
6.	Smt. Soundara Kumar	01974515	Non Executive Independent Director

#### Note:

- Shri P R Ramasubrahmaneya Rajha, the then Chairman passed away on 11<sup>th</sup> May 2017.
- Shri P R Venketrama Raja, relinquished the post of Managing Director with effect from the closing hours of 3<sup>rd</sup> June 2017. He was appointed as Chairman from 4<sup>th</sup> June 2017.
- Shri P V Abinav Ramasubramaniam Raja was appointed as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director from 4<sup>th</sup> June 2017.
- Shri V Jagadisan, Non Executive Independent Director passed away on 16<sup>th</sup> March 2018.
- Shri Sankar Krishnan, Non Executive Independent Director was appointed on 11<sup>th</sup> May 2018.
- Shri P R Venketrama Raja and Shri P V Abinav Ramasubramaniam Raja are related to each other as father and son.

The number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31<sup>st</sup> March 2018 are given below:

Name of the Director	Other Directorships*	Committee Position**	
		Chairperson	Member
Shri P R Venketrama Raja	9	3	6
Shri P V Abinav Ramasubramaniam Raja	3	-	-
Shri M M Venkatachalam	7	2	7
Shri V Jagadisan (upto 16 <sup>th</sup> March 2018)	1	1	1
Shri A V Dharmakrishnan	6	1	3
Shri R S Agarwal	5	2	5
Smt. Soundara Kumar	8	1	5

\* Public Limited Companies, other than Ramco Systems Limited.

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

## b) Board Meetings and Attendance

The Board met five times during the financial year 2017-18 viz., 30<sup>th</sup> May 2017, 4<sup>th</sup> June 2017, 3<sup>rd</sup> August 2017, 1<sup>st</sup> November 2017 and 7<sup>th</sup> February 2018. 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 Venketrama Raja	5	Yes
Shri P V Abinav Ramasubramaniam Raja	4	Yes
Shri M M Venkatachalam	4	Yes
Shri V Jagadisan (upto 16 <sup>th</sup> March 2018)	5	Yes
Shri A V Dharmakrishnan	5	Yes
Shri R S Agarwal	5	Yes
Smt. Soundara Kumar	5	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 also satisfies 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 Familiarization Programme for Independent Directors

The details of the familiarization programme for Independent Directors are available at the Company's website, at the following link at <http://www.ramco.com/investor-relations/DIRECTORS-FAMILIARISATION-PROGRAMME.pdf>



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## 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.	Smt. Soundara Kumar, Chairperson	3
2.	Shri M M Venkatachalam	4
3.	Shri V Jagadisan (upto 16 <sup>th</sup> March 2018)	5
4.	Shri A V Dharmakrishnan	5

### Note:

- Smt. Soundara Kumar, Non Executive Independent Director was appointed as Chairperson of the Audit Committee on 4<sup>th</sup> June 2017
- Shri Sankar Krishnan, Non Executive Independent Director was inducted as Member of the Audit Committee on 11<sup>th</sup> May 2018.

During the year, the Committee met five times, viz., 29<sup>th</sup> May 2017, 4<sup>th</sup> June 2017, 3<sup>rd</sup> August 2017, 1<sup>st</sup> November 2017 and 7<sup>th</sup> February 2018.

The Chairman, the Whole Time Director, The Chief Executive Officer, 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:

- 4<sup>th</sup> June 2017, with Smt. Soundara Kumar as the Chairperson and with Shri M M Venkatachalam, Shri V Jagadisan and Shri A V Dharmakrishnan as members.
- 11<sup>th</sup> May 2018, with Smt. Soundara Kumar as the Chairperson and with Shri M M Venkatachalam, Shri Sankar Krishnan and Shri A V Dharmakrishnan as 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	8
2.	Shri V Jagadisan (upto 16 <sup>th</sup> March 2018)	7
3.	Shri A V Dharmakrishnan	9

**Note:**

- Shri R S Agarwal, Non Executive Independent Director was inducted as Member of Nomination and Remuneration Committee on 7<sup>th</sup> May 2018 and continued till 11<sup>th</sup> May 2018.
- Shri Sankar Krishnan, Non Executive Independent Director was inducted as Member of Nomination and Remuneration Committee on 11<sup>th</sup> May 2018

During the year the Committee met nine times, viz., 29<sup>th</sup> May 2017, 4<sup>th</sup> June 2017, 21<sup>st</sup> July 2017, 11<sup>th</sup> September 2017, 13<sup>th</sup> October 2017, 2<sup>nd</sup> November 2017, 15<sup>th</sup> December 2017, 16<sup>th</sup> January 2018 and 8<sup>th</sup> March 2018.

#### 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 accounts 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 No. MGT-9, forming part of annexure to Board of Directors' Report.

##### (i) Remuneration to Non-Executive Directors during the Financial Year 2017-18

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

**Note:**

Sitting fee for attending the Board meetings, Audit Committee meetings and Independent Director meetings has been increased to Rs.30,000 per meeting with effect from 23<sup>rd</sup> May 2018. No sitting fee is payable for attending the meetings of any other Committees of the Board, unless approved by the Board.

# Ramco Systems Limited, INDIA

Details of sitting fees paid to Non-Executive Directors during the financial year 2017-18 are as follows:

Name of the Director	Board Meeting (Rs.)	Committee Meeting (Rs.)	Total (Rs.)
Shri P R Venketrama Raja (from 4 <sup>th</sup> June 2017)	60,000	-	60,000
Shri M M Venkatachalam	60,000	75,000*	1,35,000
Shri V Jagadisan	75,000	90,000*	1,65,000
Shri A V Dharmakrishnan	75,000	75,000	1,50,000
Shri R S Agarwal	75,000	15,000*	90,000
Smt. Soundara Kumar	75,000	60,000*	1,35,000

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

## (ii) Remuneration to Executive Directors

Particulars of Remuneration	Name of MD	Name of Manager / WTD
	Shri P R Venketrama Raja (upto 3 <sup>rd</sup> June 2017)	Shri P V Abinav Ramasubramaniam Raja (from 4 <sup>th</sup> June 2017)
Salary	1,89,000	8,91,000
Retirement benefits	15,120	188,941
Bonuses	-	-
Stock Options	-	-
Performance Linked incentives	-	-
Sitting Fees	15,000	60,000
<b>Total</b>	<b>2,19,120</b>	<b>11,39,941</b>

## (iii) Stock options granted 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.	27 <sup>th</sup> 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. 25 <sup>th</sup> October 2022
2.	22 <sup>nd</sup> 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. 21 <sup>st</sup> December 2024

Sl. No.	Date of the Compensation Committee Meeting	No of options granted	Terms and Conditions
3.	17 <sup>th</sup> 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. 16 <sup>th</sup> May 2023
4.	31 <sup>st</sup> 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.30 <sup>th</sup> May 2024
5.	8 <sup>th</sup> 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 7 <sup>th</sup> August 2027
6.	8 <sup>th</sup> 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 7 <sup>th</sup> August 2027
7.	8 <sup>th</sup> 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 7 <sup>th</sup> 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 6<sup>th</sup> August 2015 by passing Special Resolution. An application was filed with Central Government on 2<sup>nd</sup> May 2016 to obtain the approval for exercise of 1,33,216 options by him which have been vested till 31<sup>st</sup> 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 1,33,216 equity shares pursuant to the exercise of stock options during the FY 2016-17 and 33,750 equity shares pursuant to the exercise of stock options during the FY 2017-18. The details are provided below:

## Ramco Systems Limited, INDIA

Date of Exercise	Date of Allotment	Scheme	No. of shares allotted	Exercise Price per share (Rs.)	Amount received (Rs.)	Perquisite value (Rs.)
30-11-2016	22.12.2016	ESOS 2009 Plan – A	20,983	93	19,51,419	3,15,03,442
			20,983	58	12,17,014	
			25,000	10	2,50,000	
	22.12.2016	ESOS 2009 Plan – B	35,312	10	3,53,120	
	22.12.2016	ESOS 2013	20,626	155	31,97,030	
03-01-2017	18.01.2017	ESOS 2013	10,312	356	36,71,072	NIL *
16-10-2017	02.11.2017	ESOS 2009 Plan – B	8,438	10	84,380	65 55,066
		ESOS 2013	16,874	155	26,15,470	
			8,438	356	30,03,928	
* Since the market price of Rs.348.50 per share as on the date of exercise i.e., 3 <sup>rd</sup> January 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 31<sup>st</sup> March 2018 are as follows:**

Name of the Director	No. of Shares Held	Percentage to Capital
Shri P R Venketrama Raja	33,53,366	10.98
Shri P V Abinav Ramasubramaniam Raja	1,10,332	0.36
Shri A V Dharmakrishnan *	1,70,692	0.56
<b>Total</b>	<b>36,34,390</b>	<b>11.90</b>

Other Directors did not hold any shares during the year.

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

On 2<sup>nd</sup> June 2017 entire shareholding of the then Chairman Shri P R Ramasubramaneya Rajha was transmitted by way of inter se transfer to Shri P R Venketrama Raja and other promoter group individuals, Smt. R Sudarsanam, Smt. Nalina Ramalakshmi and Smt. Saradha Deepa.

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

There are no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company.

#### 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 Venketrama Raja, Chairperson of the Committee	5
2.	Shri A V Dharmakrishnan	5

##### Note:

Shri P V Abinav Ramasubramaniam Raja, Whole Time Director was inducted as Member of Stakeholders Relationship Committee on 11<sup>th</sup> May 2018

During the year the Committee met five times viz., 24<sup>th</sup> July 2017, 28<sup>th</sup> July 2017, 21<sup>st</sup> August 2017, 6<sup>th</sup> December 2017 and 21<sup>st</sup> March 2018.

##### 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

During the year, the Company has not received any complaints and there were no Shareholders' Grievances pending as at 31<sup>st</sup> March 2018.

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

Shri P R Karthic, Company Secretary is the Compliance Officer w.e.f. 3<sup>rd</sup> July 2017 as per Regulation 6 of SEBI (LODR) Regulations, 2015.

##### e) The Committee has been reconstituted on:

- 4<sup>th</sup> June 2017 with Shri P R Venketrama Raja as the Chairperson and with Shri A V Dharmakrishnan as member.
- 11<sup>th</sup> May 2018 with Shri P R Venketrama Raja as the Chairperson, with Shri A V Dharmakrishnan and Shri P V Abinav Ramasubramaniam Raja as members.

#### 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	11
2.	Shri V Jagadisan (upto 16 <sup>th</sup> March 2018)	9
3.	Shri P R Venketrama Raja	9

##### Note:

Shri P V Abinav Ramasubramaniam Raja was inducted as Member of Allotment Committee on 11<sup>th</sup> May 2018.

# Ramco Systems Limited, INDIA

During the year the Committee met eleven times, viz., 26<sup>th</sup> April 2017, 29<sup>th</sup> May 2017, 22<sup>nd</sup> June 2017, 21<sup>st</sup> July 2017, 21<sup>st</sup> August 2017, 11<sup>th</sup> September 2017, 13<sup>th</sup> October 2017, 2<sup>nd</sup> November 2017, 15<sup>th</sup> December 2017, 16<sup>th</sup> January 2018 and 8<sup>th</sup> March 2018 for allotting shares to employees pursuant to exercise of options under 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 6<sup>th</sup> November 2014, had constituted Fund raising Committee with the following Members:

Sl. No.	Name of the Director
1.	Shri V Jagadisan (upto 16 <sup>th</sup> March 2018)
2.	Shri A V Dharmakrishnan
3.	Shri P R Venketrama Raja
4.	Shri M M Venkatachalam

**Note:**

- a) Shri P V Abinav Ramasubramaniam Raja was inducted as Member of Fund Raising Committee on 11<sup>th</sup> May 2018

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 7<sup>th</sup> February 2018 as stipulated under Regulation 25(3) of SEBI (LODR) Regulations, 2015.

**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
4 <sup>th</sup> August 2017	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 A.M.
4 <sup>th</sup> 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.
6 <sup>th</sup> 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.



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

Date of the AGM	Subject Matter of the Special Resolution
4 <sup>th</sup> August 2017	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 as Whole Time Director.
4 <sup>th</sup> August 2016	Re-appointment of Shri P R Venketrama Raja, as Managing Director from 1 <sup>st</sup> April 2017 in order to align the term with the financial year being followed by the company i.e., 1 <sup>st</sup> April to 31 <sup>st</sup> March
6 <sup>th</sup> August 2015	Remuneration to Shri A V Dharmakrishnan, Non-Executive Director of the Company arising on exercise of stock options.

**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**

Shri P V Abinav Ramasubramaniam Raja, Whole Time Director, Shri Virender Aggarwal, Chief Executive Officer and Shri R Ravi Kula Chandran, Chief Financial Officer have certified compliance as stipulated under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 in relation to the Annual Financial Statements for the year 2017-18.

**10. CODE OF CONDUCT**

Declaration signed by the Whole Time 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 were being published in English in Business Standard (All Editions) and in Makkal Kural. The half yearly financial results were published in a Tamil daily, Dinamani-Madurai edition. The results were also displayed on the Company's website www.ramco.com. Press Releases made by the Company and gist 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 Twenty First Annual General Meeting**

1.	Date	3 <sup>rd</sup> August 2018
2.	Day	Friday
3.	Time	11.45 A.M.
4.	Venue	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 108

# Ramco Systems Limited, INDIA

## b) Financial Calendar for 2018-19 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2018-19 are as under:

Financial Results for the Quarter ending 30 <sup>th</sup> June 2018	Between 15 <sup>th</sup> July & 14 <sup>th</sup> August 2018
Financial Results for the Quarter ending 30 <sup>th</sup> September 2018	Between 15 <sup>th</sup> October & 14 <sup>th</sup> November 2018
Financial Results for the Quarter ending 31 <sup>st</sup> December 2018	Between 15 <sup>th</sup> January & 14 <sup>th</sup> February 2019
Financial Results for the year ending 31 <sup>st</sup> March 2019	Between 15 <sup>th</sup> May & 30 <sup>th</sup> May 2019
Twenty Second Annual General Meeting of the Company, for the year ending 31 <sup>st</sup> March 2019	July / August 2019

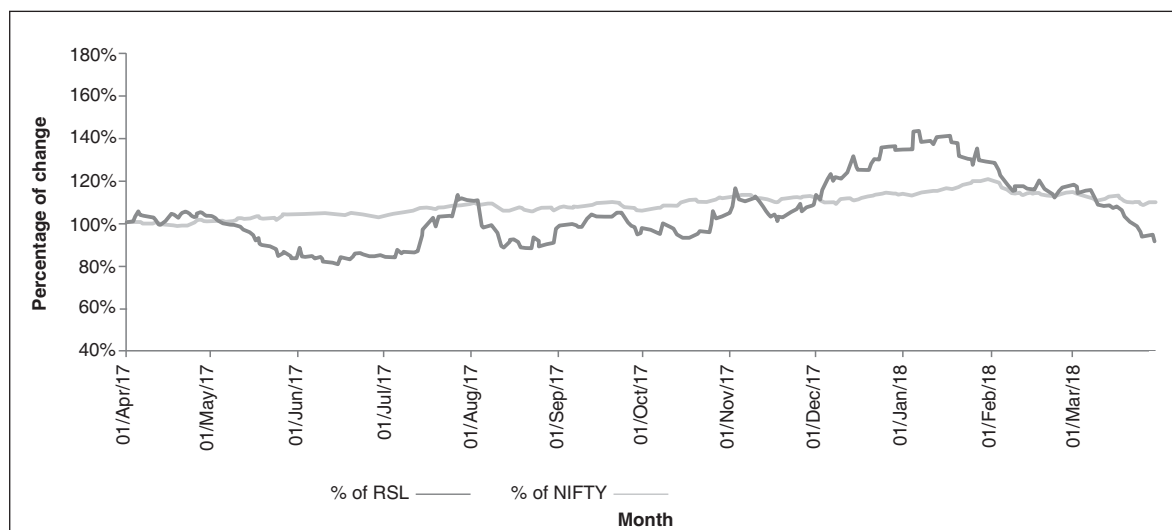
## c) Listing on Stock Exchanges

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 Jhejeebhoy 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 2018-19 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 BSE Limited and National Stock Exchange of India Limited

Month	BSE			BSE Sensex		NSE			NSE Nifty	
	Share Price (Rs.)		Volume Traded	High	Low	Share Price (Rs.)		Volume Traded	High	Low
	High	Low				High	Low			
Apr-17	423.75	378.20	2,97,288	30,184.22	29,241.48	423.90	377.05	14,83,599	9,367.15	9,075.15
May-17	408.00	321.00	1,35,842	31,255.28	29,804.12	408.35	320.05	7,74,018	9,649.60	9,269.90
Jun-17	352.60	313.15	1,50,228	31,522.87	30,680.66	353.15	312.05	9,91,945	9,709.30	9,448.75
Jul-17	455.45	324.30	5,65,786	32,672.66	31,017.11	456.00	323.60	35,06,585	10,114.85	9,543.55
Aug-17	441.00	327.25	2,19,353	32,686.48	31,128.02	441.95	325.00	15,98,652	10,137.85	9,685.55
Sep-17	419.00	362.20	1,22,725	32,524.11	31,081.83	419.90	342.00	9,04,324	10,178.95	9,687.55
Oct-17	428.90	348.00	2,11,175	33,340.17	31,440.48	428.00	357.80	15,52,926	10,384.50	9,831.05
Nov-17	467.95	392.00	3,09,172	33,865.95	32,683.59	470.00	392.40	17,23,416	10,490.45	10,094.00
Dec-17	544.00	436.20	4,06,271	34,137.97	32,565.16	543.70	415.00	27,67,723	10,552.40	10,033.35
Jan-18	572.90	492.05	2,19,041	36,443.98	33,703.37	572.40	491.00	17,45,383	11,171.55	10,404.65
Feb-18	500.50	400.00	1,04,541	36,256.83	33,482.81	500.60	432.85	5,56,547	11,117.35	10,276.30
Mar-18	464.90	352.00	86,593	33,697.51	32,972.56	464.45	353.00	4,87,009	10,525.50	9,951.90

**Relative Performance of Ramco Systems Limited's Share Price 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, Transpositions 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, Transpositions, 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, Transpositions 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.

# Ramco Systems Limited, INDIA

## g) Shareholding Pattern and the Distribution of Shareholding as at 31<sup>st</sup> March 2018:

Category of Shareholder	Number of Shareholders	Total Shares held	Shares in demat form	% of holding
<b>(A) Promoters and Promoter Group</b>				
Individuals / Hindu Undivided Family	8	45,43,548	45,43,548	14.88
Bodies Corporate	8	1,21,75,979	1,21,75,979	39.87
Trusts	-	-	-	-
<b>Promoter shareholding (A)</b>	<b>16</b>	<b>1,67,19,527</b>	<b>1,67,19,527</b>	<b>54.75</b>
<b>(B) Non-Promoters Institutional Investors</b>				
Mutual Funds / UTI	5	26,88,962	26,88,662	8.80
Financial Institutions / Banks	7	52,840	52,690	0.17
Insurance Companies	-	-	-	-
Foreign Institutional Investors	1	4,77,358	4,77,358	1.56
Alternate Investment Funds	1	2,10,067	2,10,067	0.70
Foreign Portfolio Investor (Corporate)	17	37,02,595	37,02,595	12.12
<b>Sub Total</b>	<b>31</b>	<b>71,31,822</b>	<b>71,31,372</b>	<b>23.35</b>
<b>General Public</b>				
Bodies Corporate	265	8,68,286	8,67,727	2.84
Indian Public	11,455	49,02,731	47,09,348	16.06
Others including HUF, NRIs, Foreign Nationals, Clearing Members etc	720	9,16,817	9,12,717	3.00
<b>Sub Total</b>	<b>12,440</b>	<b>66,87,834</b>	<b>64,89,792</b>	<b>21.90</b>
<b>Non-Promoters shareholding (B)</b>	<b>12,471</b>	<b>1,38,19,656</b>	<b>1,36,21,164</b>	<b>45.25</b>
<b>Total Shareholding (A)+(B)</b>	<b>12,487</b>	<b>3,05,39,183</b>	<b>3,03,40,691</b>	<b>100.00</b>

## The Distribution of Shareholding of the Company as at 31<sup>st</sup> March 2018 is as follows:

Sl. No.	Holding range	Number of shareholders	% of total	Shares	% of total
1.	Between 1 and 500	11,559	89.56	10,49,813	3.44
2.	Between 501 and 1,000	584	4.53	4,46,165	1.46
3.	Between 1,001 and 2,000	323	2.50	4,75,247	1.56
4.	Between 2,001 and 3,000	113	0.88	2,91,142	0.95
5.	Between 3,001 and 4,000	53	0.41	1,84,186	0.60
6.	Between 4,001 and 5,000	56	0.43	2,62,202	0.86
7.	Between 5,001 and 10,000	90	0.70	6,65,527	2.18
8.	More than 10,000	128	0.99	2,71,64,901	88.95
	<b>Total</b>	<b>12,906</b>	<b>100.00</b>	<b>3,05,39,183</b>	<b>100.00</b>

## 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, 4 <sup>th</sup> & 5 <sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25 <sup>th</sup> Floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013

The annual custodial / issuer charges to the respective Depository for the financial year 2018-19 have been paid as on date.

As at 31<sup>st</sup> March 2018, 3,03,40,691 equity shares, representing 99.35% 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 31<sup>st</sup> March 2018.

j) **Plant Location and R&D Center:**

64, Sardar Patel Road, Taramani, Chennai - 600 113.

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

Shri P R Karthic, Company Secretary & Compliance Officer  
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, since the Company is not dealing in any commodities.

m) **Foreign Exchange Risk**

Refer the note no. 36 of the Standalone Financials

n) **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 dematerialised shares held with NSDL and CDSL.

(ii) **Compliance Certificate**

Compliance Certificate dated 23<sup>rd</sup> May 2018 from our Secretarial Auditors, M/s. S Krishnamurthy & Co., is given in **Annexure H**.

(iii) CDSL has been appointed by the Company as the designated depository for monitoring the Foreign Investment limits in listed companies, vide SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated 5<sup>th</sup> April 2018.

## 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 audit opinion on the Company's financial statements are unmodified for the year 2017-18.
  - ii. The Company has appointed separate persons for the posts of Chairperson, Whole Time 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-subsidary-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 Dividend Distribution Policy is disclosed in the Company's website and its weblink is: <http://www.ramco.com/investor-relations/corporate-governance/dividend-distribution-policy/>
- h. The details relating to commodity price risks and commodity hedging activities are not applicable.
- i. 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. Except for Regulation 18(1)(d) of LODR: Chairperson of the Audit Committee, Smt. Soundara Kumar, was not present at the 20<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August 2017 as required under Regulation 18(1)(d) of LODR; Shri M M Venkatachalam, the previous Chairman of the Audit Committee, represented the Committee at the AGM.
- j. 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.
- k. 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.
- l. 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

- m. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
- n. 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 (upto 16 <sup>th</sup> March 2018)
3.	Shri P R Venketrama Raja
4.	Shri A V Dharmakrishnan

The Committee did not meet during the year.

The Rights Issue 2013 Committee had been dissolved at the Board Meeting held on 23<sup>rd</sup> May 2018.

(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 two times, viz., 29<sup>th</sup> May 2017 and 7<sup>th</sup> February 2018.

o. 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 Whole Time 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 31<sup>st</sup> March 2018.

**For RAMCO SYSTEMS LIMITED**

Place: Chennai  
Date : 23<sup>rd</sup> May 2018

**VIRENDER AGGARWAL**  
CHIEF EXECUTIVE OFFICER

**P V ABINAV RAMASUBRAMANIAM RAJA**  
WHOLE TIME DIRECTOR

## Annexure H

### **Certificate regarding compliance of conditions of Corporate Governance**

**Pursuant to paragraph E of Schedule V of the Securities and Exchange Board of India (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') during the financial year ended 31st March 2018 ('the year'), as stipulated under the following Regulations/ Schedule of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'):

- (a) Regulation numbers 17 to 27 dealing with the composition of the Board and Committees, related party transactions, vigil mechanism and certain other matters;
- (b) Regulation numbers 46(2)(b) to 46(2)(i) dealing with the information to be disseminated on the web-site;
- (c) Part A of Schedule II dealing with the minimum information to be placed before the Board of Directors;
- (d) Part B of Schedule II dealing with Compliance Certificates furnished by the Chief Executive Officer and Chief Financial Officer;
- (e) Part C of Schedule II dealing with the role of the Audit Committee and review of information by the Committee;
- (f) Part D of Schedule II dealing with the role of the Nomination and Remuneration Committee and Stakeholders' Relationship Committee;
- (g) Paragraph C of Schedule V dealing with disclosures in the Corporate Governance Report;
- (h) Paragraph D of Schedule V dealing with declaration signed by the Chief Executive Officer affirming compliance with the code of conduct by the Board of Directors and Senior Management Personnel; and
- (i) Paragraph E of Schedule V dealing with the compliance certificate on conditions of corporate governance issued by the Auditors or Practising Company Secretaries to be annexed to the Board's report to the members.

The Company is required to comply with the said conditions of Corporate Governance on account of the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for listing its equity shares.

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.

The disqualification of Mr. Radheyshyam Agarwal (DIN: 00012594), an Independent Director, under Section 164(2)(a) of the Companies Act, 2013, from being appointed as a director for five years from 1st November 2016 to 31st October 2021, was set aside by the Delhi High Court vide an order dated 11th January 2018, subject to any further order that may be passed by the Registrar of Companies, Delhi, on consideration of his representation. Mr. Radheyshyam Agarwal has continued to act as a director of the Company without any break in tenure and has also furnished a declaration dated 1st April 2018 confirming that he was not disqualified for appointment/ re-appointment as a director under Section 164(2) of the Companies Act, 2013.

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 2018, complied with the above-mentioned conditions of Corporate Governance, except that the Chairperson of the Audit Committee, Mrs. Soundara Kumar, was not present at the 20th Annual General Meeting held on 4th August 2017 ('the AGM') as required under Regulation 18(1)(d) of LODR; Mr. M. M. Venkatachalam, the previous Chairman of the Audit Committee, represented the Committee at the AGM.

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

**K. SRIRAM**  
Partner

Place : Chennai  
Date : 23<sup>rd</sup> May 2018

Membership No.:F6312  
Certificate of Practice No.:2215

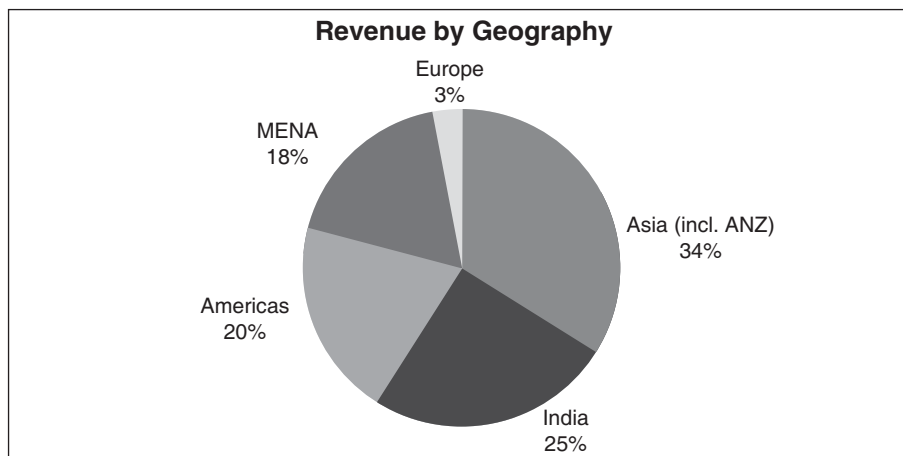
### Management Discussion and Analysis

#### a) Overview

In this unpredictable market where change is the only constant, at Ramco, we thrive on leveraging Innovation to remain adaptive and agile to change. We are a Challenger brand – building products which are on par or better than competition and focusing on deeper account management to deliver customer delight.

As we set foot into yet another exciting year, glad to share that we have made it into three Gartner Magic Quadrants - Cloud ERP Financials, Human Capital Management (HCM) and Enterprise Asset Management (EAM); Forrester Wave for SaaS HCM and IDC MarketScape for ERP. In our quest to simplify user experience, we have been at the forefront of leveraging next-gen technologies such as Chatbots and Voice in delivering solutions. To keep the business momentum up, substantial thrust is also being 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.

All this and more resulted in the financial year ended March 31, 2018 clocking an overall revenue of USD73.15 Mln. from various regions as below:



The year 2017-18 witnessed exciting action in the home turf (**India**) where all new innovations were test marketed and launched to customers. With focus on conversational UI getting mainstream, we signed multiple HCM customers to come onboard Ramco Chia Bot to experience Next-gen self-service. We also added some marquee names including Global Top 5 Fortune Giant for 5000 employees; a leading shared services organization with 27000+ workforce, and Indian multinationals like Portea, Netmagic, FabIndia and many more. We also added a leading Indian multinational conglomerate for managing its Contingent workforce of 25000+ on Ramco's SRP application.

On the Logistics front, we added a leading Pan-India based 3PL company for managing its end to end Logistics operations. The ability to offer 'One' Unified platform to manage all Logistics operations with latest Innovative features led to Ramco being recognized as the "Logistics ERP of the Year" at the Global Logistics Excellence Awards and ISCM's recognition as the "Best IT Solution Provider in Supply Chain & Logistics".

With the new Goods and Services Tax (GST) coming into effect in 2017, ERP Business unit was busy enabling clients to traverse this new tax reform with ease. There was ample action among both existing and new clients looking at a system to enable GST compliance. Ramco became the first GST-compliant Cloud ERP, ASP & GSP to be made available for Mid to Large Enterprises. Overall, the year witnessed some of the best brands announcing #TrustRamco as they got onboard the Ramco journey.

Let's travel east to Singapore, the mecca of all the latest cool innovations being rolled out. **Asia** continued its growth momentum with the opening of offices in fast growing markets like Vietnam and Indonesia. Ramco in Asia now has offices in 7 countries including Singapore, China, Malaysia, Hong Kong, Vietnam, Indonesia and Philippines. With complete coverage and infrastructure in place for the Asia market, Ramco is poised to become a formidable force in the region. And this is witnessed in the revenue with Asia (including ANZ) contributing 34% to the overall revenue and having a steady growth in order book, too.

Ramco's ability to address all of Asia (excluding North Korea) on a unified future-ready Payroll platform has been a key differentiator in marquee customers getting added to the clientele. This includes:

- European Banking & Financial Services Giant for consolidating HR & Payroll across 14 Countries in Asia and Middle East covering 8500+ Employees
- Europe's Premium Global Brewery brand for automating its HR operations in Malaysia
- Global top 5 Logistics major for unifying HR operations across 13 countries

Not just wins, we also walked the red carpet to bring home coveted titles. The awards capped off a highly successful year for Ramco with the HCM software winning several recognitions in the last 12 months, including: Best Talent Management Solution at the 2017 Frost & Sullivan Excellence Awards, awards for Best Human Capital Management (HCM), Global Payroll and Talent Management software at the 2017 HR Vendors of the Year Awards held in Singapore, Malaysia and Hong Kong winning three Gold, two Silver and two Bronze awards.

The other big market opportunity emerging in Asia is in Logistics. With the addition of Philippines based Logistics major, LBC Express and a leading Indonesian logistics group to digitize its Logistics enterprise resource planning functions, Ramco is looking forward to opening a gateway to one of Southeast Asia's biggest logistics economies.

Move down under and the action continues to build pace. Having won the trust of leading **Australian** businesses, the year 2017-18 witnessed many of the customers going live and reaping the benefits of the digital transformation they embarked on. The testimony to this is Ramco powering two finalists and 1 winning entry at this year's ISG Paragon Awards for enabling business transformation. Hosted in Australia and fully compliant to the local security and data privacy requirements, we have witnessed growth - 30+ clients | 50+ employees | 10+ partners | 2 offices in Melbourne and Sydney. Buoyed by the strong footprint we have witnessed in the region, we recently announced plans to set up our Asia-Pacific Centre of Excellence for Workforce Innovation in Melbourne, drawing top tech talent from across Australia to design and develop cloud-based solutions to address human resources challenges. The state-of-the-art innovation centre will be located at Ramco's Oceania headquarters in Melbourne's Southbank district, which has in the recent years emerged as a technological hub and one of Asia-Pacific's most promising start-up ecosystems. To build on the thought leadership in Payroll space, Ramco in partnership with leading Payroll bodies like Australian Taxation Office (ATO), Australian Payroll Association (APA) and our partners hosted multiple Coffee Connect meetings across Brisbane, Sydney, Melbourne and Adelaide. The closed room conferences aimed to educate the audience on Single Touch Payroll (STP for Australia) – The recent law in Australia which mandates employers with 20 or more employees to report employees' tax and super information to the Australian Taxation Office using Single Touch Payroll (STP) enabled software. Recognizing the importance of this requirement, Ramco has built STP compliance into its application.

Moving to the land of opportunities – **The United States of America**. From comprehensive ERP with next-gen Finance to Bot-enabled HCM; Comprehensive Logistics suite with Transport Management System (TMS), Warehouse Management System (WMS) and Hub to Aviation Maintenance and Engineering (M&E) / Maintenance, Repair and Overhaul (MRO) – we have seen an uptake and appetite for all our offerings in this region. FY 2017-18 witnessed the birth of Part Anywhere, an hyperconnected B2B ecosystem to provide real time visibility of parts stock and price with supplier/Original Equipment Manufacturer (OEM) globally using REST APIs, all on the transaction screen. The novel concept has got the demand and supply side of businesses attention and many existing and new customers have started to get onboard the platform. We are now extending the Part Anywhere series to address Skill, Mechanic and all other assets which are shareable resources. On the enterprise business front, we added customers for HCM, ERP, Financials and EAM. The year ahead looks promising with all these lighthouse client wins setting the stage for more to come in future.

**Middle East & Africa** is like home away from home. With brand recall and marquee customers under the belt, we continue to win the trust of organizations looking to consolidate HR & Payroll or manage their complete enterprise system on a cloud, mobile and bot-ready platform. Some marquee wins in the region include:

- Leading Communications Agency, Dentsu Aegis Network MENA for Ramco HCM
- Riyadh-headquartered Saudi Rotorcraft Support Company (SRSC) partnered with Ramco Systems to provide national MRO Software Support across Saudi Arabia
- Saudi based Mega Manpower Company, Al Jazeera Support Services – MEHAN selected Ramco Services Resource Planning

# Ramco Systems Limited, INDIA

- SUEZ, a world leader in the sustainable management of resources, chooses Ramco HCM for its Middle East operations
- PORR Qatar Construction W.L.L, part of the European construction major, PORR Group will implement full suite Ramco HCM Solution for PORR's GCC operations

While business momentum was upbeat, on the product front, we ensured Ramco's Global Tax Engine is configured to address UAE VAT, which is one of the biggest tax reforms introduced in the Gulf nation. Ramco's Finance and Accounting Suite offers clients' a VAT-ready application to manage the new tax regime.

Having seen the geography-wise update, here are the imminent challenges and opportunities ahead for us.

## **b) Challenges**

We are seeing a natural shift towards Cloud based deals, globally. Unlike the licensing business where revenue gets accrued immediately; cloud-based revenues accrue over a 3 to 5 year period from the time the system is live. Despite winning mandates from significantly large employee size organizations, we are unable to realize the revenue upfront. While they get reflected in the order book, the revenue realization in Payroll deals for instance starts from day 1 of Payroll getting processed on the application. We have seen some difficulties in clients going live on time and to address this, various automation initiatives are underway. The green shoots of such efforts have started bearing fruit with some of the pilot customers on the new implementation methodology announcing go-live within weeks. If we can have that continue, we will be able to realize the revenue quicker and see the revenue accrue faster.

## **c) Opportunities**

FY 18 witnessed an overall revenue growth of 9% while order book grew 21%. The profitability continued to remain similar to previous year. The decision to focus on our blue oceans markets – Global payroll and Logistics ERP showed dramatic results, with close to one-fourth of the overall order booking contributed by Logistics vertical while 44% coming from Payroll-led HCM opportunities. During the year, we also saw the average size of client employee counts growing to now address multi-country and large headcount deals.

While we have a healthy split of revenue from across regions, we expect the year ahead to witness Logistics business opening up in U.S. (especially the 3PL segment) while Asia will further strengthen to lead the geography growth. Australia with a recent large Fortune 100 giant going live will see a spur in growth for HR & Payroll, while Europe will be opportunistic for all offerings outside Aviation.

Our focus on Innovation will continue to be a key differentiator in winning customer trust. From Bots, we are further moving towards frictionless interactions with Voice based virtual assistants like Google Assistant and Alexa seamlessly enabling users transact with the ERP application. By bringing voice to the enterprise system, we believe adoption of enterprise systems will reach the user where he is. While traditional ERP goliaths are playing the catch-up game, we pride in being amongst the pioneers in bringing voice to enterprises.

## **d) Partnerships and Alliances**

We continue to invest our time, effort & money in developing our overall partner ecosystem comprising of OEM Partners, System Integrators, Business & Sales Implementation Partners etc. Focused efforts in building product competencies and capabilities across Sales, Pre-Sales & Implementation through structured enablement programs were explored to build a strong partner ecosystem. Through the Singapore innovation lab, we focus on reading the tea leaves and developing a partner ecosystem of players involved in trending technologies. In the API Driven economy – partnering with niche players to give a holistic solution to the end customer is becoming a key requirement. Over and above this the conventional go-to-market partnerships based on Geographies is also picking up momentum.

## **e) Human Resources**

A diverse and inclusive workforce actively seek out a positive work place culture and collaboration for a highly innovative environment. Our steps towards building such a conducive work environment has resulted in improving our workforce diversity with a healthy 30% of women in the workforce and more than 17 different nationalities across Ramco. To augment our new product offerings which include ERP Logistics and continued focus on innovation, we have hired top talent in these chosen domains globally. In addition to the lateral hiring, our skill training and right staffing in our global markets contributed to the ramping up of our workforce in the new delivery centers set up in Indonesia and Philippines. The total number of employees stood at 1,755 as on 31<sup>st</sup> March 2018.

#### f) 2017 - 18 Milestones

**5 June, 2017:** Announced the **upgrade of Ramco Aviation Suite V5.7** at **Conair**, Canada's most experienced specialty aircraft operations provider. The upgrade brought automation across Maintenance & Engineering, Supply Chain Management, MRO Sales and Finance, coupled with Smart Operations & Smart Search. The application has helped in providing **seamless integration along with comprehensive features** matching Conair's requirements.

**8 June, 2017:** Launched **Japan Payroll software on Ramco's Global Payroll engine**. The highly configurable payroll solution was made available in both **English and Japanese** language and came with capability to handle **Social and Labour** Insurance contributions for all states, Resident tax and reporting, bonus tax, among others.

**13 June, 2017:** Announced the **successful go-live of Ramco Systems HCM Suite integrated with Payroll at Dentsu Aegis Network Middle East and North Africa**, a global communications network offering best-in-class expertise and capabilities in Media. The deployment of Ramco HCM **digitized and automated all HR processes** at Dentsu Aegis, offering improved visibility across the organization and simplifying day to day HR needs.

**19 June, 2017:** Bagged the **Global Payroll Association's Payroll Awards for Highly Recommended Payroll Software Supplier of the Year 2017**. Presented by the Global Payroll Association, The Payroll Awards held in Amsterdam, in the first week of June 2017, witnessed global payroll professionals from all over the world celebrate excellence in payroll, software, and consulting.

**28 June, 2017:** Positioned as a **Niche Vendor in Gartner Magic Quadrant for Cloud Core Financial Management Suites**. Ramco is the **only Asia Pacific-based cloud financial applications vendor** to make it to the Magic Quadrant for Cloud Financials. Positioned as Niche Vendor based on completeness of vision and ability to execute.

**30 June, 2017:** Announced that **Ramco ERP** could seamlessly enable organizations to comply with **Goods Services and Tax (GST)** regime which came into effect in India from July 1, 2017. **Ramco became India's first GST compliant Cloud ERP, ASP & GSP** for Mid to Large Enterprises.

**5 July, 2017:** Agreement announced with **Airline MRO Parts (AMP)**, to deploy **Ramco Aviation M&E MRO Suite V5.8**, in order to provide **AMP** with a state-of-the-art, scalable platform on which to manage its parts distribution and trading business.

**10 July, 2017:** Bagged the **Frost & Sullivan Excellence Award 2017** held in Singapore for Best Talent Management Solution. Ramco won the coveted "**Asia Pacific Talent Management Solutions Enabling Technology Leadership Award**" under the ICT category.

**13 July, 2017:** Agreement announced with **China Southern Airlines General Aviation Ltd. (CSAGA)**, the 2<sup>nd</sup> largest offshore helicopter operator in China for integrating its organization-wide maintenance. The Zhuhai-based company implemented **Ramco Aviation Maintenance & Engineering Suite 5.8**, enabling its staff across China to automate and manage fleet data in real time.

**20 July, 2017:** Agreement announced with **Panasonic Avionics Corporation**, the world's leading supplier of inflight entertainment and communication systems as customer for **Ramco Aviation M&E MRO Suite V5.8**. The implementation will help streamline and integrate Panasonic Technical Services activities across: **64+ line stations, 7 repair stations, supply chain/logistics and service program management in 35+ countries with over 2000 users**

**25 July, 2017:** Announced the **successful go-live of Ramco Systems' ERP solution for Logistics across 7 operating units of AAI Worldwide Logistics**. Ramco ERP for logistics service providers was implemented across all of AAI's freight-forwarding & warehousing operations, including those of its new **Express Courier unit, Black Arrow Express**, thereby consolidating operations for **Finance, Project Cargo, and end-to-end Supply Chain Management** across seven AAI operating units in the **Philippines**.

**22 August, 2017:** Agreement announced with one of the **Global Top 5 Aircraft OEMs (Original Equipment Manufacturers)** for their joint venture in China to automate its **Maintenance & Engineering (M&E), Supply Chain, Finance, HCM and Payroll functions on a unified platform**.

**29 August, 2017:** **5-year agreement announced with Riyadh - headquartered Saudi Rotorcraft Support Company (SRSC)** to offer software support for **Maintenance, Repair and Overhaul (MRO) operations** for civilian and military helicopters in Saudi Arabia. SRSC will also be implementing Ramco's complete **Finance, HR & Payroll offering** to get an integrated view of business operations.



## Ramco Systems Limited, INDIA

**5 September, 2017:** Positioned as a **Niche Vendor in 2017 Gartner Magic Quadrant for Cloud Human Capital Management (HCM) Suites** for Midmarket and Large Enterprises. Ramco Systems became **the only Asia Pacific based HR Software Vendor** to enter the Quadrant.

**20 September, 2017:** Agreement announced with a **Premium Global Brewery brand** and one of the **world's leading beer and cider producers** for **Ramco HCM with Global Payroll** to automate its HR operations in Malaysia.

**26 September, 2017:** Announced the successful go-live of **Ramco Systems' HCM suite for Portea Medical, India's leading consumer healthcare company**. The suite was successfully implemented for 5000 associates spread across 16+ Indian cities.

**5 October, 2017:** Collaboration announced with Anaplan, a leading platform provider driving a new age of connected planning. As part of the collaboration, Ramco's **Cloud ERP, HCM, and finance modules** have standard connectors for **Anaplan's connected planning platform**. This will offer comprehensive **planning, budgeting, and consolidation capabilities to Ramco's clients around the globe**.

**13 October, 2017:** Positioned as a **contender in The Forrester Wave(TM): SaaS Human Resource Management Systems, Q3 2017**, published by Forrester Research, Inc.

**20 October, 2017:** Announced the **setting up of a wholly-owned subsidiary in Indonesia under the name PT Ramco Systems Indonesia**, to address growing momentum in the region. **Sixth in the region and 24th, globally**, Ramco's new office employs local staff and focuses on bringing cloud-based technology to transform Indonesian enterprises in the area of HR, Payroll and Logistics ERP.

**24 October, 2017:** Agreement announced with one of the **FTSE 100 constituent and British Multinational Banking & Financial Services Company**. Ramco will enable the BFSI major in consolidating its multi-country Payroll on a unified platform and provide **Managed Payroll Services for its associates spread across 14 countries**.

**26 October, 2017:** Announced the **successful go-live of Ramco's ERP on Cloud at Viadux**, Australia based leading manufacturer and supplier of water and environmental solutions **across 5 entities in 10 locations**. With the implementation of Ramco ERP on Cloud, **Viadux replaces 8 disparate systems including both home-grown systems and applications** that were earlier on Infor, Cognos, and ADP.

**7 November, 2017:** Announced the successful go-live of Ramco Systems' **Enterprise Resource Planning solution** at **First Balfour, Inc.**, one of the largest construction and engineering firms in the Philippines.

**14 November, 2017:** Announced the successful go-live of **Ramco' HCM Suite at Netmagic**, an NTT Communications company and **India's leading Managed Hosting and Cloud Services provider**. The award-winning cloud HCM solution was implemented across Netmagic's state-of-the-art data centers.

**22 November, 2017:** Renewal of agreement announced with LBC Express, Inc., Philippines' leading logistics and remittance brand to **implement Ramco HR Cloud** to unify and automate its logistics and supply chain operations across its **1,300 global branches and 121 warehouses**.

**27 November, 2017:** Agreement announced with **Al Jazeera Support Services Company**, a closed joint stock company, providing rental manpower needed by government, business sectors and individuals, to **implement Ramco ERP for Services (Services Resource Planning) Suite**.

**30 November, 2017:** Bagged the '**HR Vendor of the Year**' for the **third consecutive year at 2017 HR Vendors of the Year Awards** held in Singapore, Malaysia and Hong Kong for its **Human Capital Management (HCM), Global Payroll and Talent Management software**. Ramco beat global vendors to **win three Gold, two Silver and two Bronze awards**.

**5 December, 2017:** Agreement announced with Johor-headquartered **Ranhill Holdings Berhad** to deploy **Ramco HCM solutions** to digitize its human resources operations covering **3,000+ employees across its 5 entities in Malaysia**.

**12 December, 2017:** Agreement announced with **SUEZ Middle East Water Services LLC**, a French-based utility company which is present on all five continents in the water treatment and waste management sectors, to automate HR operations of its Middle East operations. Ramco will deploy **its HCM with Global Payroll Solution** to integrate the HR and Payroll processes spread across **8 entities in 3 locations of Middle East**.

**18 December, 2017:** Agreement announced with **Jet East Corporate Aviation, LLC.**, leading US-based AOG maintenance provider to deploy **Ramco Aviation Suite v5.8**, in order to modernize its business systems. In addition to the



Aviation modules, Jet East will also implement Ramco's complete **Finance, HR & Payroll offering** to get an integrated view of its business operations.

**20 December, 2017:** Effective 1st January 2018, **Ramco's Global Tax Engine gets configured to address UAE VAT**, which is one of the **biggest tax reforms being introduced in the Gulf nation**. Ramco's Finance and Accounting Suite will offer clients' a **VAT-ready application to manage the new tax regime**.

**2 January, 2018:** Agreement announced with **Papillon Grand Canyon Helicopters**, world's largest and longest running aerial tour company to deploy **Ramco Aviation Suite v5.8** for maintenance and engineering operations of its fleet.

**9 January, 2018:** Positioned as a **Niche Vendor in Gartner Magic Quadrant for Enterprise Asset Management Software**. Ramco EAM is being leveraged by several mid to large scale enterprises both as an integrated solution part of a full suite ERP offering, as well as a stand-alone application.

**16 January, 2018:** Agreement announced with a **Global Fortune Top 5 organization to implement Ramco HCM and Managed Payroll Solution** to manage its human resources and payroll services which currently employs approximately **4,500 staff spread across 21 cities**.

**25 January, 2018:** Agreement announced with a **leading Indonesian logistics group** to implement **Ramco Logistics Software** including modules for freight-forwarding, courier planning, rating and billing, warehouse & fleet management, also consolidating operations for finance and end-to-end supply chain management. **Ramco's mobile-friendly platform will replace ~50 disparate, obsolete systems**, thereby providing real-time visibility and seamless flow of information.

**2 February, 2018:** Bagged the prestigious **Brandon Hall Group Excellence in Technology Awards 2017**, under the **Workforce Management category** for Best Advance in Time and Labor management.

**14 February, 2018:** Collaboration announced with **Singapore-based open-source blockchain developer XinFin FinTech Pte Ltd** to build breakthrough **hybrid blockchain solutions** that combine features of public and private networks to provide secure and rapid transactions for the aviation, logistics and human resources industries. Both companies will work on the hybrid blockchain solutions out of **Ramco's innovation lab in Singapore**.

**2 March, 2018:** Announced the **successful go-live of Ramco Systems Aviation Suite at Cobham Aviation Services**. The Aviation Suite provides an **integrated and unified view of Cobham's continued airworthiness, engineering, supply chain management and finance operations** and the recent deployment marks the completion of the first phase of an engineering and finance transformation.

**7 March, 2018:** Agreement announced with **PORR Qatar Construction W.L.L**, part of the European construction major, PORR Group, to implement **full suite Ramco HCM Solution** for PORR's Middle East operations.

**15 March, 2018:** **Ramco will set up its Asia-Pacific Centre of Excellence for Workforce Innovation in Melbourne**. The **state-of-the-art innovation centre will be located at Ramco's Oceania headquarters** in Melbourne's Southbank district, which has in the recent years emerged as a technological hub and one of Asia-Pacific's most promising start-up ecosystems.

**27 March, 2018:** Bagged the '**Best Imagination**' Award, at the **2018 ISG Paragon Awards, Australia** for enabling digital transformation at **Viadux** resulting in modernization and streamlining of its business to improve customer experience.

**For and on Behalf of the Board**

Place : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

### Business Responsibility Report [Pursuant to Regulation 34(2)(f) of LODR]

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L72300TN1997PLC037550			
2	Name of the Company	Ramco Systems Limited			
3	Registered address	47 PSK Nagar, Rajapalayam – 626 108			
4	Website	www.ramco.com			
5	E-mail id	rkc@ramco.com			
6	Financial Year reported	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018			
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes as per NIC – 2008			
		Group	Class	Sub class	Description
		620	6201	62013	Providing software support and maintenance to the clients
		631	6311	63111	Data processing, hosting and related activities; Data processing activities including report writing
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Computer Programming, Consultancy and related activities (ii) Hosting and related activities			
9	Total number of locations where business activity is undertaken by the Company	(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			
10	Markets served by the Company	India, America, Europe, Middle East, Africa, Asia (Malaysia, Singapore, Philippines, Indonesia, Vietnam, China and Hong Kong), Australia and New Zealand.			

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital - Rs. In Million	Rs.305.75
2	Total Turnover - Rs. In Million	Rs.2,849.77
3	Total profit after taxes - Rs. In Million	Rs.658.36
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent Rs.4.14 Mln. on CSR which is 0.63% of profit after tax.
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/Directors 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?	<a href="http://www.ramco.com/investor-relations/">http://www.ramco.com/investor-relations/</a>								
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

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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 related 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](http://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.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has no information regarding reduction of energy, water, etc. that has been achieved by the consumers during usage of Company's products.

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3. Does the company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
- No.
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 recycle & use 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, remove them from our asset records and disposal after approval.

### Principle 3

- Please indicate the Total number of employees: 1755 and Trainees: 181
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. Third Party Employee: 87 & Retainer: 27 (both included in 1755 above)
- Please indicate the Number of permanent women employees. : 554
- Please indicate the Number of permanent employees with disabilities: Nil
- Do you have an employee association that is recognized by management. : No
- What percentage of your permanent employees is members of this recognized employee association? : Not Applicable
- 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	64%
(b)	Permanent Women Employees	68%
(c)	Casual/Temporary/Contractual Employees	80% (Including Project Interns) 51% (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.

We have a structured internship program for fresh engineering graduates, aiming at increasing their employability in the current IT industry scenario.

#### 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 addressed and tracked directly today, indirectly it does get addressed. Ramco strategically focuses to promote use of its Cloud Solution to all its Clients across the globe. An increase in adoption of Cloud Solutions by the market has been observed over years. This does contribute in a positive manner towards global environmental concerns such as climate change and global warming, as offers a more efficient alternative from an energy and cooling consumption.

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

No.

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



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

Emissions generated by the Company are within the permissible limits given by CPCB/SPCB.

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 National Association of Software and Services Companies (NASSCOM)

Singapore Indian Chamber of Commerce & Industry (SICCI) Global Payroll Association

Indo-Australian Chamber of Commerce Australian Payroll Association Pty Ltd

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

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 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.

The Company has spent Rs.4.14 Mln. towards its CSR commitment. Please refer Annexure C of Annual 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.

Ramco provides product and implementation support to its Clients and Partners. It uses a ticket management tool to track and address all the technical issues raised related to product and/or implementation. A governance mechanism is agreed with the Client upfront, at the start of the project and all project related issues (technical and non-technical) are addressed through these forums.

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).

Ramco deals in software products and all relevant product and technical information is made available to the Prospect/Client in a written proposal and/or statement of work or the Contract.

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, Whole Time Director / Manager, Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2017-18:

Name of Director / KMP	Designation	Remuneration of Director / KMP for Financial Year 2017-18 (Rs. Mln.)	% increase / (Decrease) in Remuneration in the Financial Year 2017-18	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 Venketrama Raja (Vice Chairman & Managing Director up to 3rd June 2017)	Chairman / Non-Executive Promoter Director	0.28	(76.07%)	0.61	
Shri M M Venkatachalam	Non-Executive Independent Director	0.14	No change	0.30	
Shri V Jagadisan	Non-Executive Independent Director	0.17	22.22%	0.36	
Shri A V Dharmakrishnan	Non-Executive Non-Independent Director	0.15	25.00%	0.33	
Shri R S Agarwal	Non-Executive Independent Director	0.09	20.00%	0.20	
Smt. Soundara Kumar	Non-Executive Independent Director	0.14	80.00%	0.30	
Shri P V Abinav Ramasubramaniam Raja (from 4th June 2017)	Whole Time Director	1.14	Not applicable	2.50	Profit After Tax for the financial year 2017-18 was Rs.658.36 Mln. as against Rs.506.78 Mln. for the financial year 2016-17.
Shri R Ravi Kula Chandran	Chief Financial Officer	8.84	(6.94%) Refer Note b	Not applicable	
Shri P R Karthic (from 3rd July 2017)	Company Secretary	0.57	Not applicable	Not applicable	
Shri G Karthikeyan (up to 5th December 2016)	Company Secretary	Not applicable	Not applicable	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 2017-18 was USD 1.05 Mln. (Rs.67.51 Mln.) and the % decrease in 2017-18 was 28.44% (there was a decrease of only 11.44%, 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 his remuneration is not considered for the purposes of arriving at the figures in Points (iii) and (iv) below. For comparison of remuneration against the performance of the Company, please refer to the above table.
- (b) There is an increase of 9.23%, if the perquisite value of stock options exercised in both the financial years are not considered.
- (iii) The median remuneration of employees of the Company during the financial year was Rs.4,56,000 and the percentage increase in the median remuneration was 13.77%.
- (iv) There were 1,641 permanent employees on the rolls of Company and its subsidiaries as on 31<sup>st</sup> March 2018.

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- (v) Average percentage increase in salaries of employees other than the managerial personnel in the financial year 2017-18 was 1.38% (3.48%, if the perquisite value of stock options exercised is not considered) whereas there was no increase in the managerial remuneration in the financial year 2017-18.
- (vi) 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) & (ii) Top 10 Employees in terms of remuneration drawn during the year & Employed throughout the financial year 2017-18 and was in receipt of remuneration, in the aggregate, not less than Rs.10.20 Mln. per annum:

Name	Designation	Remuneration including retinals (Rs. Mln.)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the company
Anand P	Principal Consultant – Functional	5.34	B.E (18)	07-Oct-10	40	IBS Software Services
Balaji R	VP & Head - ERP Presales	6.11	B.E. (24)	7-Nov-94	48	Bajaj Auto Ltd
Bhushan Arora	Head – HCM Product Support	5.31	B. Tech., IIT (11)	18-Mar-15	47	Tech Mahindra Ltd
Hari Krishnan V	Vice President - Middle East And North Africa	13.26	M. Com, ICWA (26)	4-Jun-07	46	Tally India Ltd
Raghvendra Tripathi	Vice President	7.39	B. Tech., IIT, MBA (20)	25-Jun-13	47	Satyam Computer Services Ltd.
Ranganathan J	Senior Vice President – revenue assurance and Europe Sales	6.31	Master of Management Studies (24)	25-Sep-97	51	Whirlpool India Ltd.
Ranjan Tayal	Chief Operating Officer	10.34	B. Tech. (27)	16-May-12	51	Capgemini India Pvt Ltd.
Ravi Kula Chandran R	Chief Financial Officer	8.84	B. Com, CA (31)	1-Feb-02	57	General Signal India Pvt. Ltd.
Shailaja Unnikrishnan	Principal Consultant	5.85	MCA (19)	07-Jan-07	44	Frontline Information Technology
Shyamala Jayaraman	Senior Vice President – ERP	5.81	B.E. (26)	14-Feb-91	49	PSI Data Systems Ltd.

(iii) Employed for a part of the financial year 2017-18 and was in receipt of remuneration, at a rate which, in the aggregate, not less than Rs.0.85 Mln. per month:

Upali Aparajita Patnaik	Vice President – Sales, Aviation business, Europe, MEA & India	5.54	B.E. (29)	15-Apr-99	48	Indian Aluminium Co. Ltd.
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**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. None of the employees mentioned above is related to any Director of the Company except Shri P V Abinav Ramasubramaniam Raja, whole time key managerial personnel in the position of Manager with the designation of Whole Time Director who is related to the Chairman, Shri P R Venketrama Raja.
4. 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 : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying Separate (Standalone) Financial Statements drawn in accordance with the Indian Accounting Standards ("the Financial Statements") of Ramco Systems Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year ended on 31 March 2018 and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows of the Company and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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 Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

### Other Matters

The Financial Statements include financial statements for the year ended 31 March 2017 which was audited by the previous independent auditor and included on that basis. Our opinion with respect to this is unmodified.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its Profit (including Other Comprehensive Income), its cash flows and changes in equity for the year ended on 31 March 2018.



# Ramco Systems Limited, INDIA

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, 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 A", to the extent applicable, 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 Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) in our opinion, the Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) on the basis of the written representations received from the Directors as on 31 March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) we have enclosed our separate report in "Annexure B" 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 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 Company has disclosed the impact of pending litigations in Note no. 35 (c) of the Financial Statements.
    - ii. the Company does 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 Company.

**For M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**

Partner  
Membership No. 021510

Place : Chennai  
Date : 23 May 2018

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Financial Statements of the Company for the year ended 31 March 2018.)

- i. Fixed Assets
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The fixed assets were physically verified during the year by the Management in accordance with the phased programme of verification which, in our opinion is reasonable having regard to the size of the Company. According to the information and explanations given to us, no material discrepancies were noticed during such verification.
  - c. According to the information and explanations 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 Management has conducted the physical verification of inventory at reasonable intervals 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 listed in the Register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, 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 during the year.
- vi. The requirement for maintenance of Cost Records pursuant to 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. Undisputed and disputed taxes and duties
  - 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, Goods and Service Tax, Value Added Tax, Cess and any other material statutory dues applicable to it during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
  - b. The disputed statutory dues aggregating to Rs. 77.16 Mln. that have not been deposited on account of matters pending before appropriate authorities are 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
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax, Mumbai	0.09
Finance Act 1994	Service Tax	The Assistant Commissioner of GST & Central Excise, Chennai	1.21
- viii. The Company has not defaulted in repayment of dues to Banks during the year. The Company has not taken any loans or borrowings from Financial Institutions or Government or has not issued any Debentures.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has raised loans from Banks during the year and the proceeds have been applied for the purposes for which they were raised.

## Ramco Systems Limited, INDIA

- 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. According to the information and explanations given to us and based on our examination of the records of the Company, 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.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**  
Partner  
Membership No. 021510

Place : Chennai  
Date : 23 May 2018

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### “ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on the Financial Statements of the Company for the year ended 31 March 2018.)

#### **Report on the Internal Financial Controls Over Financial Reporting 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 Company as of March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31 March 2018.

#### **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 (“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 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 Institute of Chartered Accountants of India. 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 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 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 31 March 2018, 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.

**For M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**  
Partner  
Membership No. 021510

Place : Chennai  
Date : 23 May 2018

# Ramco Systems Limited, INDIA

## BALANCE SHEET AS AT 31 MARCH 2018

	Note No.	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	133.16	128.38
Intangible assets	6	2,435.78	2,503.43
Investment in subsidiaries	7	3,007.83	1,786.05
Financial assets	8		
Loans		40.00	-
Investments		15.00	15.00
Trade receivables		11.80	3.35
Other financial assets		54.08	43.09
Tax assets (net)		127.49	126.96
Deferred tax assets (net)	9	431.64	467.83
Other non-current assets	10	1.87	1.12
		<u>6,258.65</u>	<u>5,075.21</u>
<b>Current assets</b>			
Inventories	11	-	0.16
Financial assets	12		
Loans		480.38	673.22
Trade receivables		1,152.33	1,172.38
Cash and cash equivalents		28.46	19.95
Other financial assets		437.05	337.02
Tax Assets (Net)		41.60	46.61
Other current assets	13	109.36	69.96
		<u>2,249.18</u>	<u>2,319.30</u>
<b>Total assets</b>		<u>8,507.83</u>	<u>7,394.51</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	305.75	304.41
Other equity	15	7,243.58	6,546.83
<b>Total equity</b>		<u>7,549.33</u>	<u>6,851.24</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	16	55.94	59.65
Other non-current liabilities	17	9.70	13.94
		<u>65.64</u>	<u>73.59</u>
<b>Current liabilities</b>			
Financial liabilities	18		
Borrowings		366.44	50.00
Trade payables		201.15	200.77
Other financial liabilities		14.85	19.03
Provisions	19	3.50	6.83
Other current liabilities	20	306.92	193.05
		<u>892.86</u>	<u>469.68</u>
<b>Total liabilities</b>		<u>958.50</u>	<u>543.27</u>
<b>Total equity and liabilities</b>		<u>8,507.83</u>	<u>7,394.51</u>

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

Significant Accounting Policies, Judgements and Estimates

Notes on Financial Statements

1 - 4

5 - 40

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**P R VENKETRAMA RAJA**  
Chairman

**SOUNDARA KUMAR**  
Director

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**P R KARTHIC**  
Company Secretary

**K SRINIVASAN**  
Partner  
Membership No.:021510

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

Place : Chennai  
Date : 23 May 2018

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018**

	Note No.	Year ended 31.03.2018 Rs. Mln.	Year ended 31.03.2017 Rs. Mln.
<b>Income</b>			
Revenue from operations	21	2,849.77	2,779.41
Finance income	22	131.22	94.63
Other income	23	1.22	3.08
<b>Total income</b>		<u>2,982.21</u>	<u>2,877.12</u>
<b>Expenses</b>			
Purchase of stock-in-trade	24	7.00	7.19
Changes in inventories of stock-in-trade	24	(0.16)	2.06
Employee benefits expense	25	931.68	1,059.71
Finance costs	26	11.95	12.68
Depreciation and amortisation expense	27	486.85	464.26
Other expenses	28	696.82	1,239.05
<b>Total expenses</b>		<u>2,134.14</u>	<u>2,784.95</u>
<b>Profit before tax</b>		<u>848.07</u>	<u>92.17</u>
<b>Income tax expense</b>			
Current tax (includes MAT)		160.71	52.12
Deferred tax (includes MAT credit)		29.00	(466.73)
<b>Total income tax expense</b>	9	<u>189.71</u>	<u>(414.61)</u>
<b>Profit for the year</b>		<u>658.36</u>	<u>506.78</u>
<b>Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement gains / (losses) of defined benefit obligations	25.1	20.57	(3.18)
Income tax on above item(s)	9	(7.19)	1.10
		<u>13.38</u>	<u>(2.08)</u>
<b>(ii) Items that may be reclassified to profit or loss</b>			
Effect of change in functional currency of foreign operations		(7.13)	19.02
Income tax on above item(s)		-	-
		<u>(7.13)</u>	<u>19.02</u>
<b>Other comprehensive income for the year (i + ii)</b>		<u>6.25</u>	<u>16.94</u>
<b>Total comprehensive income for the year</b>		<u>664.61</u>	<u>523.72</u>
Earnings per Equity Share of Rs.10 each			
Basic		21.60	16.81
Diluted		21.60	16.81
Weighted average equity shares used in computing earnings per share			
Basic		30,478,159	30,148,545
Diluted		30,478,159	30,148,545

The accompanying policies and notes form an integral part of the financial statements  
Significant Accounting Policies, Judgements and Estimates  
Notes on Financial Statements

1-4  
5-40

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**P R VENKETRAMA RAJA**  
Chairman

**SOUNDARA KUMAR**  
Director

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**P R KARTHIC**  
Company Secretary

**K SRINIVASAN**  
Partner  
Membership No.:021510

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

Place : Chennai  
Date : 23 May 2018

# Ramco Systems Limited, INDIA

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Year ended 31.03.2018 Rs. Mln.	Year ended 31.03.2017 Rs. Mln.
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>848.07</b>	<b>92.17</b>
Adjustments for :		
Depreciation and impairment of property, plant and equipment (PPE)	50.77	46.20
Amortisation and impairment of intangible assets	436.08	418.07
Share based payment expense accrual	14.39	105.90
(Profit) / loss on sale of PPE (Net)	2.45	1.18
Bad debts / provision for bad debts, net	19.19	397.13
Remeasurement of defined benefit obligations	20.57	(3.18)
Effect of exchange difference on translation of deferred tax & fixed assets	0.01	(0.12)
Effect of change in foreign currency translation reserve	(7.13)	19.02
Unrealised exchange (gain) / loss	(73.80)	88.15
Finance income	(131.22)	(94.63)
Finance costs	11.95	12.68
<b>Operating profit before working capital / other changes</b>	<b>1,191.33</b>	<b>1,082.57</b>
Adjustments for :		
Increase / (decrease) in provisions	(7.04)	5.17
Increase / (decrease) in trade and other payables	0.38	(38.64)
Increase / (decrease) in other current liabilities	105.45	(84.25)
(Increase) / decrease in trade and other receivables	(313.74)	51.03
(Increase) / decrease in inventories	0.16	2.06
<b>Cash generated from operations</b>	<b>976.54</b>	<b>1,017.94</b>
Income tax paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>976.54</b>	<b>1,017.94</b>
<b>B. Cash flow from investing activities:</b>		
Addition to tangible / Intangible assets	(427.54)	(391.42)
Investment in Subsidiaries	(230.74)	(17.44)
Proceeds from sale of PPE	1.10	0.82
Loans to subsidiaries (Net)	(786.81)	(698.46)
Loan to other parties	(51.39)	-
Short term fixed deposits placed with Banks	(0.08)	(0.09)
Finance income	131.22	94.63
<b>Net cash used in investing activities (B)</b>	<b>(1,364.24)</b>	<b>(1,011.96)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of Share Capital on account of issue of shares under Employee Stock Option Plans	17.92	47.11
Proceeds from short term borrowings	1,996.78	1,430.85
Repayment of short term borrowings	(1,680.34)	(1,380.85)
Finance costs paid	(11.95)	(12.68)
<b>Net cash from financing activities (C)</b>	<b>322.41</b>	<b>84.43</b>
<b>Net increase / (decrease) in cash and cash equivalents [A+B+C]</b>	<b>(65.29)</b>	<b>90.41</b>
<b>Effect of unrealised exchange (gain) / loss</b>	<b>73.80</b>	<b>(88.15)</b>
<b>Net cash generated / (used in) for the year</b>	<b>8.51</b>	<b>2.26</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>19.95</b>	<b>17.69</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>28.46</b>	<b>19.95</b>

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**

Partner  
Membership No.:021510

**P R VENKETRAMA RAJA**  
Chairman

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**  
Director

**P R KARTHIC**  
Company Secretary

Place : Chennai  
Date : 23 May 2018



# STATEMENT OF CHANGES IN OTHER EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Nos. in Mln. Rs. Mln.

## a. Equity Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid

<b>Balance as at 01 Apr 2016</b>	29.99	300.26
Changes in Equity Share Capital during 2016-17 (refer note no.14)	0.42	4.15
<b>Balance as at 31 March 2017</b>	30.41	304.41
Changes in Equity Share Capital during 2017-18 (refer note no.14)	0.13	1.34
<b>Balance as at 31 March 2018</b>	<b>30.54</b>	<b>305.75</b>

## b. Other Equity for the year ended 31 March 2018

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	
<b>As at 01 April 2017</b>	-	6,497.51	308.19	(276.62)	17.75	6,546.83
Profit for the period	-	-	-	658.36	-	658.36
Other comprehensive income (OCI)						
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	13.38	-	13.38
(b) Exchange difference on translation of foreign operations	-	-	-	-	(7.13)	(7.13)
<b>Total comprehensive income</b>	-	<b>6,497.51</b>	<b>308.19</b>	<b>395.12</b>	<b>10.62</b>	<b>7,211.44</b>
Subscription to stock option schemes	1.16	-	-	-	-	1.16
Issue of share capital	-	16.59	-	-	-	16.59
Transfer on exercise of stock options	-	43.28	(43.28)	-	-	-
Share based payments for options granted	-	-	14.39	-	-	14.39
<b>As at 31 March 2018</b>	<b>1.16</b>	<b>6,557.38</b>	<b>279.30</b>	<b>395.12</b>	<b>10.62</b>	<b>7,243.58</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	
<b>As at 01 April 2016</b>	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
<b>Total comprehensive income</b>	<b>0.70</b>	<b>6,365.88</b>	<b>290.96</b>	<b>(276.62)</b>	<b>17.75</b>	<b>6,398.67</b>
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
<b>As at 31 March 2017</b>	<b>-</b>	<b>6,497.51</b>	<b>308.19</b>	<b>(276.62)</b>	<b>17.75</b>	<b>6,546.83</b>

\* 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.

# Ramco Systems Limited, INDIA

## NOTES TO SEPARATE (STANDALONE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 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, Logistics 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 23 May 2018.

### 2. Basis of preparation of separate financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and the provisions of the Act to the extent notified.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Figures for the year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors M/s. CNGSN & Associates LLP.

2.1 The financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments and defined benefit plan assets, share based payments that are measured at fair values.

#### 2.2 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.

#### 2.3 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.

#### 2.4 An asset is treated as current when it is:

- Expected to be realized or intended to be 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 Company has identified twelve months as its operating cycle.
- 2.8 The financial statements are presented in Indian Rupees rounded to the nearest million with two decimals. Figures less than ten thousands are shown as nil.

### 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 recognized 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 recognized in each accounting period.

Revenue is recognized 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.

Revenue in excess of billings are classified as unbilled revenue while billings in excess of revenues are classified as unearned revenue.

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 recognized on delivery of the software, including cases with extended credit period, when, in the opinion of the Company, there are no collectability concerns.

# Ramco Systems Limited, INDIA

## **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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 as per 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 recognized 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 recognized amounts and intends to settle the asset and the liability on a net basis.

Deferred tax is recognized 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 recognized outside the Profit or Loss is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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.

During the period of development and thereafter, the asset is tested for impairment annually.

### 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 recognized 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 recognized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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 recognized 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 recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss.

## **j. Provisions, contingent liabilities and contingent assets**

Provisions are recognized 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 recognized 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 recognized 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 fifty thousand 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 recognized 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 recognized 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 recognized 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:

## Ramco Systems Limited, INDIA

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 derecognized (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:

- significant risk and rewards of the financial asset, or
- 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 recognized 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 derecognized 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 recognized 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 recognized 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 recognized 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.

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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.

## **s. Assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

### **3.1. Recent Accounting pronouncements – Standards issued but not effective**

Ind AS 115 – Revenue from contracts with customers:

In March 2018, the Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying deletion of existing standard Ind AS 18 and insertion of new standard Ind AS 115 on Revenue from contracts with customers. The amendments are applicable to the company from April 1, 2018. This Standard establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company's existing policy of eliminating the imputed interest attributable to arrangements having extended credit period from the revenue and accounting the same as interest over the credit period is in line with the requirements of Ind AS 115. The Company is also evaluating the further requirements of the amendment and the effect on the financial statements.

Ind AS 21 – Foreign currency translations and advance consideration:

In March 2018, MCA further notified the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, containing Appendix B to Ind AS 21, Foreign currency translations and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendments are applicable to the company from April 1, 2018. The Company is evaluating the requirements and its effect on the financial statements.

## **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 recognized 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 (PPE) 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 / recognized, 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 of 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.

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## 5. Property, plant and equipments

Rs. Mln.

Particulars	Building	Laptops and Desktops	Servers and Networks	Furniture	Office Equipments	Electrical Items	Vehicles	Total
<b>Gross Carrying value</b>								
<b>As at 01 April 2016</b>	<b>3.12</b>	<b>167.06</b>	<b>240.19</b>	<b>21.03</b>	<b>42.65</b>	<b>13.35</b>	<b>31.01</b>	<b>518.41</b>
Additions	-	16.57	11.20	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
<b>As at 31 March 2017</b>	<b>3.12</b>	<b>181.25</b>	<b>251.39</b>	<b>22.07</b>	<b>47.44</b>	<b>14.96</b>	<b>33.38</b>	<b>553.61</b>
Additions	-	25.79	17.63	1.29	7.69	0.60	6.10	59.10
Disposals	-	(79.85)	(178.77)	(1.23)	(2.26)	(0.74)	(4.82)	(267.67)
Exchange difference	-	0.01	-	-	-	-	-	0.01
<b>As at 31 March 2018</b>	<b>3.12</b>	<b>127.20</b>	<b>90.25</b>	<b>22.13</b>	<b>52.87</b>	<b>14.82</b>	<b>34.66</b>	<b>345.05</b>
<b>Depreciation</b>								
<b>As at 01 April 2016</b>	<b>1.72</b>	<b>134.35</b>	<b>207.47</b>	<b>5.68</b>	<b>17.58</b>	<b>5.70</b>	<b>10.83</b>	<b>383.33</b>
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	0.02	(0.01)	-	-	(0.01)	-	-	-
<b>As at 31 March 2017</b>	<b>1.79</b>	<b>151.69</b>	<b>218.78</b>	<b>7.48</b>	<b>24.24</b>	<b>6.70</b>	<b>14.55</b>	<b>425.23</b>
For the year	0.05	23.20	11.60	2.04	8.55	1.20	4.13	50.77
Disposals	-	(79.85)	(178.65)	(0.58)	(2.01)	(0.32)	(2.71)	(264.12)
Exchange difference	-	0.02	(0.01)	(0.02)	0.01	0.01	-	0.01
<b>As at 31 March 2018</b>	<b>1.84</b>	<b>95.06</b>	<b>51.72</b>	<b>8.92</b>	<b>30.79</b>	<b>7.59</b>	<b>15.97</b>	<b>211.89</b>
<b>Carrying value</b>								
<b>As at 31 March 2017</b>	<b>1.33</b>	<b>29.56</b>	<b>32.61</b>	<b>14.59</b>	<b>23.20</b>	<b>8.26</b>	<b>18.83</b>	<b>128.38</b>
<b>As at 31 March 2018</b>	<b>1.28</b>	<b>32.14</b>	<b>38.53</b>	<b>13.21</b>	<b>22.08</b>	<b>7.23</b>	<b>18.69</b>	<b>133.16</b>

## 6. Intangible assets

Rs. Mln.

Particulars	Technology Platform	Product Software	Patents	Computer Software	Total
<b>Gross carrying value</b>					
<b>As at 01 April 2016</b>	<b>1,315.61</b>	<b>3,388.24</b>	<b>13.68</b>	<b>419.96</b>	<b>5,137.49</b>
Additions	90.89	239.47	0.55	19.13	350.04
Deletions	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>1,406.50</b>	<b>3,627.71</b>	<b>14.23</b>	<b>439.09</b>	<b>5,487.53</b>
Additions	70.60	282.03	-	15.80	368.43
Deletions	-	-	-	(278.46)	(278.46)
<b>As at 31 March 2018</b>	<b>1,477.10</b>	<b>3,909.74</b>	<b>14.23</b>	<b>176.43</b>	<b>5,577.50</b>
<b>Amortisation</b>					
<b>As at 01 April 2016</b>	<b>662.47</b>	<b>1,560.44</b>	<b>6.34</b>	<b>336.79</b>	<b>2,566.04</b>
For the year	103.93	285.59	1.37	27.17	418.06
Impairment loss	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>766.40</b>	<b>1,846.03</b>	<b>7.71</b>	<b>363.96</b>	<b>2,984.10</b>
For the year	108.32	297.26	1.42	29.08	436.08
Impairment loss	-	-	-	(278.46)	(278.46)
<b>As at 31 March 2018</b>	<b>874.72</b>	<b>2,143.29</b>	<b>9.13</b>	<b>114.58</b>	<b>3,141.72</b>
<b>Carrying value</b>					
<b>As at 31 March 2017</b>	<b>640.10</b>	<b>1,781.68</b>	<b>6.52</b>	<b>75.13</b>	<b>2,503.43</b>
<b>As at 31 March 2018</b>	<b>602.38</b>	<b>1,766.45</b>	<b>5.10</b>	<b>61.85</b>	<b>2,435.78</b>

- a) Financials of research and development activities (R&D), based on separate books of accounts maintained are enclosed in page nos. 129 to 132.
- b) For the details of security to borrowings, refer note no.18.
- c) The disposals under property, plant and equipment include gross block of Rs.216.53 Mln. and net block of Rs. Nil, and the deletions under intangible assets include gross block of Rs.278.46 Mln. and net block of Rs. Nil, as no longer required and accordingly moved to assets held for sale.



	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>7. Investment in subsidiaries</b>		
<b>Equity investments in subsidiaries measured at Deemed cost, long term, trade, unquoted</b>		
192,729,550 Shares in Ramco Systems Corporation, USA of paid-up value of USD 0.0145 each (as at 31 March 2017 192,729,550 shares @ USD 0.0145 each)	743.41	743.41
1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (as at 31 March 2017 1,400,000 Shares @ CHF 1 each)	441.70	441.70
23,470,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at 31 March 2017 11,175,000 shares @ SGD1 each)	1,116.08	510.13
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (as at 31 March 2017 1,280,000 Shares @ RM 1 each)	18.22	18.22
19,350,100 Shares in RSL Enterprise Solutions (Pty.) Ltd., South Africa of face value of ZAR 1 each (as at 31 March 2017 100 Shares @ ZAR 1 each)	99.02	-
50 Shares in Ramco Systems FZ-LLC, Dubai of AED 1000 each (as at 31 March 2017 50 Shares @ AED 1000 each)	0.62	0.62
10,378,000 Shares in Ramco Systems Australia Pty Ltd., Australia, of AUD 1 each (as at 31 March 2017 1,000,000 Shares @ AUD 1 each)	526.13	52.45
100,000 Shares in RSL Software Co. Ltd., Sudan, of SDG 1 each (as at 31 March 2017 100,000 Shares @ SDG 1 each).	2.08	2.08
11,750,000 Shares in Ramco System Inc., Philippines of face value of PHP 1 each (as at 31 March 2017 11,750,000 shares @ PHP 1 each)	17.44	17.44
1,000,000 Shares in Ramco Systems ( Shanghai ) Co. Limited, Shanghai, of face value of CNY 1 each (as at 31 March 2017 Nil)	10.41	-
5,625,000 Shares in Ramco System Vietnam Company Limited, Vietnam of face value of VND 1000 each (as at 31 March 2017 Nil)	16.44	-
3,375,000 Shares in PT. Ramco Systems Indonesia, Indonesia, of face value of IDR 1000 each (as at 31 March 2017 Nil)	16.28	-
Aggregate value of unquoted investments	<u>3,007.83</u>	<u>1,786.05</u>
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.		
Note:		
a. Movement in investment in Ramco Systems Pte. Ltd., Singapore represents conversion of loan of Rs.418.34 Mln. (SGD 8.53 Mln.) to equity and additional equity contribution of Rs.187.60 Mln. (SGD 3.77 Mln.) (Previous year movement represents conversion of loan of Rs.346.65 Mln. (SGD 7.45 Mln.) to equity).		
b. Movement in investment in RSL Enterprise Solutions (Pty) Ltd., South Africa represents conversion of loan of Rs.99.02 Mln. (ZAR 19.35 Mln.) to equity.		
c. Movement in investment in Ramco Systems Australia Pty Ltd., Australia represents conversion of loan of Rs.473.68 Mln. (AUD 9.38 Mln.) to equity.		
<b>8 Financial assets (non-current)</b>		
<b>8.1 Loans - unsecured, considered good</b>		
Loans - others	40.00	-
Loans are non-derivative financial assets and are carried at amortised cost. Loans - others carry an interest at the rate of 10% p.a. and are repayable in equated monthly instalments at quarterly rests.		

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	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>8.2 Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)</b>		
2,335 Shares in Smart Megh Solutions Pvt. Ltd, India of face value of Rs.10 each (as at 31 March 2017 2,335 Shares @ Rs.10 each).	15.00	15.00
Aggregate value of unquoted investment	15.00	15.00
Aggregate amount of impairment in value of investment	-	-
<b>8.3 Trade receivables</b>		
<b>Unsecured, considered good</b>		
Trade receivables - others	11.80	3.45
<b>Unsecured, considered doubtful</b>		
Trade receivables - others	83.51	118.31
	95.31	121.76
Less: Impairment loss	83.51	118.41
	11.80	3.35
<b>8.4 Other financial assets</b>		
<b>Unsecured, considered good</b>		
Unbilled revenue - others	38.13	30.76
Security deposit	14.85	12.66
Employee advances	1.10	0.58
<b>Unsecured, considered doubtful</b>		
Unbilled revenue - others	47.14	70.18
	101.22	114.18
Less: Impairment loss	47.14	71.09
	54.08	43.09
<b>Total financial assets (non-current)</b>	<b>120.88</b>	<b>61.44</b>

## 9. Taxes

(a) Deferred tax (asset) / liability	Rs. Mln.			
	Balance sheet as at		Statement of profit and loss and OCI	
Nature of (asset) / liability	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Tax impact on difference between book depreciation / amortisation and depreciation under the Income Tax Act, 1961	841.98	855.70	(13.72)	(24.71)
Tax impact on unutilised carry forward losses	(910.92)	(1,101.09)	190.18	32.46
Tax effect of provision for gratuity	(4.87)	(1.16)	(3.72)	(2.39)
Tax effect of provision for compensated absences	(19.31)	(19.76)	0.45	(0.99)
Tax effect of provision for bad and doubtful debts	(47.49)	(66.91)	19.42	(66.91)
Tax impact on all other items	(2.90)	-	(2.90)	-
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)
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	6.09	(1.10)	7.19	(1.10)
<b>Deferred tax (asset) / liability (net)</b>	<b>(137.42)</b>	<b>(467.83)</b>		
<b>Deferred tax (income) / expense (net)</b>			<b>196.90</b>	<b>(467.83)</b>

Rs. Mln.

		Balance Sheet as at	
		31.03.2018	31.03.2017
(b)	<b>Reconciliation of deferred tax (asset) / liability (including MAT credit)</b>		
	<b>Particulars</b>		
	<b>Opening balance as at 01 April</b>	<b>(467.83)</b>	<b>-</b>
	Deferred Tax (income) / expense during the year recognised in Statement of Profit and Loss	<b>189.71</b>	<b>(333.22)</b>
	MAT credit for the year	<b>(160.71)</b>	<b>(133.51)</b>
	Deferred Tax (Income) / expense during the year recognised in OCI	<b>7.19</b>	<b>(1.10)</b>
	<b>Closing balance as at 31 March</b>	<b>(431.64)</b>	<b>(467.83)</b>
(c)	<b>Components of tax expenses</b>	<b>For the year ended</b>	
	<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>(i) Statement of profit and loss</b>		
	<b>Current tax</b>		
	Current Income Tax charge (including MAT)	<b>160.71</b>	<b>52.12</b>
	<b>Deferred tax</b>		
	Relating to the origination and reversal of temporary differences	<b>189.71</b>	<b>(62.54)</b>
	Adjustment (credit taken) for earlier years	<b>-</b>	<b>(270.68)</b>
	MAT credit recognition of current year	<b>(160.71)</b>	<b>(52.12)</b>
	MAT credit recognition of previous year(s)	<b>-</b>	<b>(81.39)</b>
	<b>Total tax (income) / expenses reported in statement of profit and loss</b>	<b>189.71</b>	<b>(414.61)</b>
	<b>(ii) Other comprehensive income (OCI)</b>		
	Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	<b>7.19</b>	<b>(1.10)</b>
	<b>Total tax (income) / expense (net)</b>	<b>7.19</b>	<b>(1.10)</b>
	<b>(iii) Total tax (income) / expense reported in the total comprehensive income</b>	<b>196.90</b>	<b>(415.71)</b>
(d)	<b>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:</b>		
	Accounting profit before tax	<b>848.07</b>	<b>92.17</b>
	Less: Adjustment from carry forward losses	<b>848.07</b>	<b>92.17</b>
	Corporate Tax Rate %	<b>34.608%</b>	<b>34.608%</b>
	<b>Computed tax expense</b>	<b>-</b>	<b>-</b>
	<b>Increase / (reduction) in taxes on account of:</b>		
	MAT on above mentioned accounting profit before tax	<b>180.99</b>	<b>19.67</b>
	Tax adjustments of earlier years	<b>(0.94)</b>	<b>-</b>
	Non-deductible expenses	<b>6.45</b>	<b>41.26</b>
	Additional allowances / deductions for tax purposes	<b>(25.79)</b>	<b>(8.81)</b>
		<b>160.71</b>	<b>52.12</b>
	Deferred tax (income) / expense recognition during the year	<b>189.71</b>	<b>(333.22)</b>
	MAT credit recognition of current year	<b>(160.71)</b>	<b>(52.12)</b>
	MAT credit recognition of previous year(s)	<b>-</b>	<b>(81.39)</b>
	<b>Tax (income) / expense reported in the statement of profit and loss</b>	<b>189.71</b>	<b>(414.61)</b>
	<b>Tax (income) / expense reported in the other comprehensive income</b>	<b>7.19</b>	<b>(1.10)</b>

Note:

- During the previous 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.
- During the previous 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.

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	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>10. Other non-current assets</b>		
Prepaid expenses, unsecured considered good	1.87	1.12
<b>11. Inventories</b>		
Stock-in-trade (represents hardware and software materials held for resale)	-	0.16
<b>12. Financial assets (current)</b>		
<b>12.1 Loans - unsecured, considered good</b>		
Loans - subsidiaries (refer note no.32)	468.99	673.22
Loans - others	11.39	-
	<u>480.38</u>	<u>673.22</u>
Loans are non-derivative financial assets and are carried at amortised cost. Loans - others carry an interest at the rate of 10% p.a. and are repayable in equated monthly instalments at quarterly rests. Loans - subsidiaries carry an interest ranging between 10% p.a. to 12.50% p.a. (previous year 10.50% p.a. to 12.50% p.a.) and are repayable on demand.		
<b>12.2 Trade receivables</b>		
<b>Unsecured, considered good</b>		
Trade receivables-subsidiaries	885.52	911.88
Trade receivables-other related parties	0.18	1.73
Trade receivables-others	268.31	261.39
	<u>1,154.01</u>	<u>1,175.00</u>
Less: Impairment loss	1.68	2.62
	<u>1,152.33</u>	<u>1,172.38</u>
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. 32.		
<b>12.3 Cash and cash equivalents</b>		
Cash on hand	0.02	0.23
Balances with Banks in Current Accounts	28.44	19.72
	<u>28.46</u>	<u>19.95</u>
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.		
<b>12.4 Other financial assets</b>		
<b>Unsecured, considered good</b>		
Unbilled revenue - others	311.63	277.73
Unbilled revenue - subsidiaries	50.84	-
Unbilled revenue - other related parties	48.68	-
Security deposit	6.63	7.91
Employee advances	18.80	50.88
Bank deposits held as margin money	2.80	2.72
Balance with Banks in share issue accounts	1.24	0.07
	<u>440.62</u>	<u>339.31</u>
Less: Impairment loss	3.57	2.29
	<u>437.05</u>	<u>337.02</u>
<b>Total financial assets (current)</b>	<u>2,098.22</u>	<u>2,202.57</u>

	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.		
<b>13. Other current assets</b>				
Prepaid expenses*	43.68	14.37		
Advance to suppliers and service providers	20.12	5.32		
Statutory advances	45.56	50.27		
	<u>109.36</u>	<u>69.96</u>		
* Includes prepayment to Gratuity fund for the year Rs. 7.62 Mln. (refer note no. 25.1)				
<b>14. Equity share capital</b>				
<b>Authorised share capital</b>				
50,000,000 (as at 31 March 2017 50,000,000) Equity Shares of Rs. 10 each	<u>500.00</u>	<u>500.00</u>		
<b>Issued and subscribed capital</b>				
30,888,361 (as at 31 March 2017 30,754,517) Equity Shares of Rs.10 each	<u>308.88</u>	<u>307.55</u>		
<b>Paid-up capital</b>				
30,539,183 (as at 31 March 2017 30,405,339)				
Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous years Rs.353,890) for 349,178 shares)	305.75	304.41		
	<u>305.75</u>	<u>304.41</u>		
<b>14.1 The reconciliation of shares capital for the year:</b>	<b>2017-18</b>	<b>2016-17</b>		
At the beginning of the year	304.41	300.26		
Addition during the year	1.34	4.15		
At the end of the year	<u>305.75</u>	<u>304.41</u>		
<b>Movement in number of shares during:</b>	<b>2017-18</b>	<b>2016-17</b>		
At the beginning of the year	30,405,339	29,990,736		
Addition during the year under employee stock option schemes	133,844	414,603		
At the end of the year	<u>30,539,183</u>	<u>30,405,339</u>		
<b>14.2 Terms / rights attached to class of shares</b>				
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.				
<b>14.3 Shareholders holding more than 5 percent in the shares of the Company</b>				
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>		
<b>Name of the Share Holder</b>	<b>No. of Shares</b>	<b>% of holding</b>	<b>No. of Shares</b>	<b>% of holding</b>
P R Venketrama Raja	3,353,366	10.98	3,217,441	10.58
Ramco Industries Limited	5,467,376	17.90	5,467,376	17.98
The Ramco Cements Limited	5,417,810	17.74	5,417,810	17.82
HDFC Trustee Company Limited (HDFC Equity Fund & HDFC Prudence Fund)	2,247,400	7.36	2,247,400	7.39
<b>14.4</b>				
Number of non-resident shareholders	304		242	
Number of shares held by the non-resident shareholders	632,409		752,992	
Dividend remitted in foreign currency	Nil		Nil	

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## 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 31.03.2018		As at 31.03.2017	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOP 2000	169	734	0.12	1,363	0.23
ESOS 2003	169	944	0.16	944	0.16
ESOS 2008	51	36,615	1.87	49,954	2.55
	119	11,807	1.41	11,807	1.41
	83	11,807	0.98	11,807	0.98
	230	26,228	6.03	26,228	6.03
	194	17,835	3.46	17,835	3.46
ESOS 2009 - Plan A	90	23,555	2.12	32,804	2.95
	110	9,440	1.04	9,440	1.04
	356	91,625	32.62	105,623	37.60
ESOS 2009 - Plan B	90	56,318	5.07	69,616	6.27
	10	31,271	0.31	64,702	0.65
	356	80,217	28.56	88,591	31.54
ESOS 2013	356	64,472	22.95	83,316	29.66
	155	243,934	37.81	326,386	50.59
	10	10,245	0.10	19,827	0.20
	482	34,625	16.69	34,625	16.69
	250	10,000	2.50	15,438	3.86
	426	2,500	1.07	2,500	1.07
	462	5,000	2.31	10,438	4.82
	348	3,500	1.22	3,500	1.22
	696	3,500	2.44	3,500	2.44
	340	18,000	6.12	18,000	6.12
	679	17,500	11.88	22,500	15.28
	307	12,874	3.95	22,250	6.83
	613	13,125	8.05	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	5,000	2.00	10,000	3.99
	797	2,500	1.99	5,000	3.99
	311	-	-	5,000	1.56
	622	-	-	2,500	1.56
	345	11,750	4.05	12,500	4.31
	690	6,016	4.15	6,250	4.31
	155	18,000	2.79	18,000	2.79
	10	59,902	0.60	33,562	0.34
	222	5,000	1.11	5,000	1.11
	257	1,500	0.39	4,000	1.03
	332	-	-	2,500	0.83
	351	4,000	1.40	7,500	2.63
	377	10,575	3.99	12,000	4.52
	443	2,500	1.11	2,500	1.11
	513	1,250	0.64	2,000	1.03
	663	-	-	1,250	0.83
	701	2,000	1.40	3,750	2.63
	753	6,000	4.52	6,000	4.52

Name of Stock Option Scheme	Exercise Price (Rs.)	As at 31.03.2018		As at 31.03.2017	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2014 (Contd.)	168	12,500	2.10	-	-
	184	5,000	0.92	-	-
	193	10,000	1.93	-	-
	202	2,500	0.51	-	-
	214	7,500	1.61	-	-
	228	17,500	3.99	-	-
	245	17,500	4.29	-	-
	277	12,500	3.46	-	-
	336	6,250	2.10	-	-
	367	2,500	0.92	-	-
	385	5,000	1.93	-	-
	404	1,250	0.51	-	-
	427	3,750	1.60	-	-
	455	8,750	3.98	-	-
	490	8,750	4.29	-	-
	553	6,250	3.46	-	-
<b>Total</b>		<b>1,129,414</b>	<b>291.99</b>	<b>1,237,431</b>	<b>310.49</b>

Further details of the above schemes can be obtained from ANNEXURE E to the Director's Report

	<b>As at 31.03.2018 Rs. Mln.</b>	<b>As at 31.03.2017 Rs. Mln.</b>
<b>15. Other equity</b>		
Securities Premium	<b>6,557.38</b>	6,497.51
Currency translation reserve	<b>10.62</b>	17.75
Employee stock options outstanding	<b>279.30</b>	308.19
Retained earnings	<b>395.12</b>	(276.62)
Share application money pending allotment (refer note no.15.1)	<b>1.16</b>	-
	<b><u>7,243.58</u></b>	<b><u>6,546.83</u></b>

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

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under various employees stock option schemes of the Company.

### Retained earnings

Represents the portion of the net income / (loss) of the Company.



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	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>15.1 Share application money pending allotment</b>		
a) Terms and conditions	Refer note below	Not Applicable
b) Number of shares proposed to be issued (no.)	12,296	Nil
c) Amount of premium (Rs. Mln.)	1.04	Nil
d) The period before which shares are to be allotted	Refer note below	Not Applicable
e) Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Not Applicable
f) Interest accrued on amount due for refund	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
<p>Note: The share application money pending allotment as at 31 March 2018 represents receipt pursuant to the exercise of options under the Employee Stock Option Schemes ESOS 2009 Plan B, ESOS 2013 and ESOS 2014 of the Company. Under the said scheme, one share of Rs.10 each, at a premium of Rs.Nil for 6,014 shares &amp; Rs.145 for 5,625 shares Rs.335 for 282 shares &amp; Rs.346 for 375 shares 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.</p>		
<b>16 Provisions (non-current)</b>		
Provision for gratuity (refer note no.25.1)	4.04	4.37
Provision for leave encashment and other retiral	51.90	55.28
	<u>55.94</u>	<u>59.65</u>
<b>16.1</b> 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.		
Liability carried in the Balance Sheet:		
Leave encashment provision as per actuarial valuation	43.22	45.61
Leave encashment fixed commitment	9.79	11.48
Leave encashment provision by overseas branches	2.24	1.67
	<u>55.25</u>	<u>58.76</u>
The movement in the present value of the obligation is given below:		
Opening	45.61	42.29
Current service cost	6.10	5.61
Interest cost	3.12	3.18
Actuarial (gains)/losses	(7.06)	(2.36)
Benefits paid	(4.55)	(3.11)
Closing	<u>43.22</u>	<u>45.61</u>

		Year ended 31.03.2018	Year ended 31.03.2017
		Rs. Mln.	Rs. Mln.
Costs considered in the statement of profit and loss (P&L) is given below:			
Costs accrued as per actuarial valuation		2.16	6.42
Costs accrued by overseas branches		0.57	0.30
		<u>2.73</u>	<u>6.72</u>
The movement in the P&L as per actuary is given below:			
Current service cost		6.10	5.61
Interest on obligation		3.12	3.17
Net actuarial (gains)/losses		(7.06)	(2.36)
Net cost recognized		<u>2.16</u>	<u>6.42</u>
		As at 31.03.2018	As at 31.03.2017
		Rs. Mln.	Rs. Mln.
<b>17 Other non-current liabilities</b>			
Unearned revenue		9.70	13.94
<b>18 Financial liabilities (current)</b>			
<b>18.1 Borrowings</b>	<b>Maturity date</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
		Rs. Mln.	Rs. Mln.
<b>Loans repayable on demand from Bank, secured</b>			
Axis Bank Ltd. - Cash credit	On Demand	33.44	50.00
<b>Loans from Bank, secured</b>			
IDBI Bank Ltd. - WCDL	11 Apr 2018	55.00	-
<b>Loans from Bank, unsecured</b>			
Kotak Mahindra Bank Limited - WCDL- 1	09 Apr 2018	22.00	-
Kotak Mahindra Bank Limited - WCDL- 2	24 Apr 2018	75.00	-
Kotak Mahindra Bank Limited - WCDL- 3	26 Apr 2018	36.00	-
Kotak Mahindra Bank Limited - WCDL- 4	11 Apr 2018	55.00	-
Kotak Mahindra Bank Limited - WCDL -5	12 Apr 2018	80.00	-
Kotak Mahindra Bank Limited - WCDL -6	17 Apr 2018	10.00	-
		<u>366.44</u>	<u>50.00</u>

#### As at 31 March 2018 - 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 unencumbered fixed assets (Property, plant and equipment excluding building) of the Company.

IDBI Bank Ltd. - WCDL - This loan is secured by pari passu first charge on the receivables, both present and future, of the Company.

Kotak Mahindra Bank Limited - WCDL - This loan is unsecured

Short Term Borrowings carry interest ranging from 8.60% p.a. to 9.85% p.a.

#### 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 unencumbered fixed assets (Property, plant and equipment excluding building) of the Company.

Short Term Borrowings carry an interest of 11.25% p.a.

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	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>18.2 Trade payables</b>		
Trade payables - subsidiaries (refer note no.32)	34.30	16.35
Trade payables - other related parties	5.92	-
Trade payables - others	160.93	184.42
	<u>201.15</u>	<u>200.77</u>

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 2018 and 31 March 2017. 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.

<b>18.3 Other financial liabilities</b>		
Capital creditors	9.62	8.78
Rental advances	0.40	0.22
Employee welfare payables	4.83	10.03
	<u>14.85</u>	<u>19.03</u>
<b>Total financial liabilities (current)</b>	<u>582.44</u>	<u>269.80</u>

## 18.4 Net debt reconciliation for the year

Effective April 01, 2017, the Company adopted the amendments to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. Accordingly the following statement is produced for:

Particulars	Current borrowing
Opening debt	50.00
Cash flows	316.44
Interest expense	11.95
Interest paid	(11.95)
Closing debt	<u>366.44</u>

<b>19. Provisions (current)</b>		
Provision for gratuity (refer note no.25.1)	0.15	3.35
Provision for leave encashment and other retirals (refer note no.16.1)	3.35	3.48
	<u>3.50</u>	<u>6.83</u>

<b>20. Other current liabilities</b>		
Unearned revenue - subsidiaries	62.98	-
Unearned revenue - others	123.67	103.94
Statutory dues payable	48.34	28.05
Expenses payable	68.08	54.14
Advance from customers	3.85	6.92
	<u>306.92</u>	<u>193.05</u>

Advance from customers are received in the normal course of business and adjusted against subsequent supplies / services.

		Year ended 31.03.2018 Rs. Mln.	Year ended 31.03.2017 Rs. Mln.		
21.	Revenue from operations				
	Software revenue (License & Services)	2,082.07	2,185.21		
	Royalty	763.34	581.45		
	Value added resale software and hardware materials	4.36	12.75		
		<u>2,849.77</u>	<u>2,779.41</u>		
21.1	Earnings in foreign exchange				
	Export of goods and services on FOB basis	857.16	970.10		
	Royalty	763.34	581.45		
	Interest	115.95	70.93		
		<u>1,736.45</u>	<u>1,622.48</u>		
22.	Finance income				
	Interest income - loan to subsidiaries (refer note no.32)	115.91	70.91		
	Interest income - others	15.31	23.72		
		<u>131.22</u>	<u>94.63</u>		
23.	Other income				
	Profit on sale of property, plant and equipments	0.26	0.01		
	Other income	0.96	3.07		
		<u>1.22</u>	<u>3.08</u>		
24.	Changes in inventories of finished goods, stock-in-process and stock-in-trade				
	Opening Stock	0.16	2.22		
	Closing Stock	-	0.16		
		<u>0.16</u>	<u>2.06</u>		
24.1	Value of consumption of imported and indigenous raw materials and spare parts				
	Resale Materials	Year ended 31.03.2018	Year ended 31.03.2017		
		Rs. Mln.	%	Rs. Mln.	%
	Imported	2.42	35.38	3.19	34.49
	Indigenous	4.42	64.62	6.06	65.51
		<u>6.84</u>	<u>100.00</u>	<u>9.25</u>	<u>100.00</u>
24.2	CIF value of imports				
	Resale materials	2.42		3.19	
	Capital goods	18.03		1.01	
	Outflow for patent applications	-		1.58	
		<u>20.45</u>		<u>5.78</u>	

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	Year ended 31.03.2018	Year ended 31.03.2017
	Rs. Mln.	Rs. Mln.
<b>25. Employee benefit expense</b>		
Salaries, wages and bonus	797.31	837.52
Share based payment*	14.39	105.90
Provident fund and other contributions	52.31	52.90
Gratuity and other retrials (refer note no.25.1)	33.92	32.03
Staff welfare	33.75	31.36
	<u>931.68</u>	<u>1,059.71</u>

\* Includes costs incurred for KMP's amounting to Rs.1.36 Mln.(previous year Rs.6.95 Mln.).

### 25.1 As per Ind AS 19, the disclosures pertaining to employee benefits are given below:

#### Defined contributions by the employer:

Provident fund, EDLI, ESI maintained by the Government	52.31	52.90
Superannuation fund	12.37	12.49
National pension system	3.10	3.26
Other pension schemes by overseas branches	0.07	-

#### Defined benefit plan contribution by the employer:

Gratuity fund, including adjustments based on actuarial valuation	18.64	15.84
Gratuity commitment by overseas branches	(0.26)	0.44

#### The movement in Gratuity (the defined benefit plan) is given below:

Current service cost	18.72	16.59
Interest on obligation	11.42	10.71
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	(11.50)	(11.46)
Net cost recognised in the statement of profit and loss	<u>18.64</u>	<u>15.84</u>
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	(0.74)	(0.60)
Actuarial (gains)/losses recognized in the year	(19.83)	3.78
Net (gain) / loss recognised in the other comprehensive income	<u>(20.57)</u>	<u>3.18</u>

#### Movements in the present value of the defined benefit obligation in the current and previous year were as follows:

	As at 31.03.2018	As at 31.03.2017
	Rs. Mln.	Rs. Mln.
Opening defined benefit obligation	165.44	140.30
Current service cost	18.72	16.59
Interest cost	11.42	10.71
Actuarial (gains)/losses	(19.83)	3.78
Benefits paid	(13.74)	(5.94)
Closing defined benefit obligation	<u>162.02</u>	<u>165.44</u>

<b>Movements in the present value of the plan assets in the current and previous year were as follows:</b>	<b>As at 31.03.2018 Rs. Mln.</b>	<b>As at 31.03.2017 Rs. Mln.</b>
Opening fair value of plan assets	162.09	143.86
Expected return on plan assets	11.50	11.46
Actuarial (gains) / losses	0.74	0.60
Contributions from the employer	9.03	12.11
Benefits paid	(13.74)	(5.94)
Closing fair value of plan assets	169.62	162.09

**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:**

Present value of funded defined benefit obligation	162.00	165.44
Fair value of plan assets	169.62	162.09
Present value of funded defined benefit obligations / (asset)	(7.62)	3.35
Gratuity liability maintained by overseas branches	4.19	4.37

**Investment details:**

Funds with LIC	169.62	162.09
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**The principal assumptions used in determining gratuity for the Company's plans are shown below:**

Discount rate	7.58%	7.20%
Future salary increase	9%	9%

**A quantitative sensitivity analysis for significant assumptions are below:**

<b>Particulars</b>	<b>For the year ended 31.03.2018</b>			
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
<b>Sensitivity Level</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(7.96)	8.57	8.62	(8.08)
<b>Particulars</b>	<b>For the year ended 31.03.2017</b>			
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
<b>Sensitivity Level</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>	<b>0.5% Increase</b>	<b>0.5% Decrease</b>
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(8.26)	8.90	8.92	(8.36)

The sensitivity analysis given 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.

	<b>Year ended 31.03.2018 Rs. Mln.</b>	<b>Year ended 31.03.2017 Rs. Mln.</b>
<b>The following payments are expected benefit payouts to the defined benefit plan in future years:</b>		
Within the next 12 months (next annual reporting period)	6.12	6.67
1 - 2 years	10.63	10.99
2 - 3 years	8.14	10.72
3 - 4 years	10.37	8.94
4 - 5 years	9.76	10.93
Beyond 5 years	75.47	65.42
Total expected payments	120.49	113.67

The average duration of the defined benefit plans obligation at the end of the reporting period is 10 years (31 March 2017 : 9.7 years)

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	Year ended 31.03.2018 Rs. Mln.	Year ended 31.03.2017 Rs. Mln.
<b>26. Finance Costs</b>		
Interest on loans	11.54	9.92
Other finance cost	0.41	2.76
	<u>11.95</u>	<u>12.68</u>
<b>27. Depreciation and amortization expense</b>		
Depreciation on Property, plant and equipment	50.77	46.20
Amortizations of intangible assets	436.08	418.06
	<u>486.85</u>	<u>464.26</u>
<b>28. Other expenses</b>		
Advertisement and sales promotion	54.45	63.29
Bank charges	4.93	4.57
Bad debts / provision for bad debts, net	19.19	397.13
Consultancy charges	24.63	20.78
Corporate social responsibility expenditure	4.14	0.90
Foreign exchange fluctuation, net	(55.76)	103.86
Insurance	6.43	5.30
Loss on sale of property, plant and equipment	2.71	1.19
Office maintenance	20.55	22.90
Outsourcing costs	148.61	176.64
Power & fuel	29.38	28.59
Printing & stationery	2.70	2.53
Postage, telephone and communication	53.81	50.72
Rent	214.76	193.03
Repairs- building	5.01	20.96
Repairs- plant and machinery	25.12	30.94
Repairs- others	19.56	15.35
Rates and taxes	21.96	29.63
Sales commission and other selling expenses	3.76	10.50
Software subscription and maintenance	1.62	1.60
Travelling and conveyance	79.90	47.60
Unfructified patent expenses	0.19	0.38
Miscellaneous expenses	9.17	10.66
	<u>696.82</u>	<u>1,239.05</u>
<b>28.1 Movement in provision for bad &amp; doubtful debts</b>		
	As at 31.03.2018 Rs.Mln.	As at 31.03.2017 Rs.Mln.
<b>Particulars</b>		
Balance at the beginning	194.41	1.89
Provisions for the year (net)	19.19	397.13
Translation differences	0.64	(0.83)
Provision utilised for write off	(78.34)	(203.78)
Balance at the end	<u>135.90</u>	<u>194.41</u>



**Expenses recognised in statement of profit and loss**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.Mln.	Rs.Mln.
Provisions for the year (net)	19.19	397.13
Provision utilised for write off, reversed to P&L	(78.34)	(203.78)
Amounts written off	78.34	203.78
Bad debts / provision for bad debts, net	19.19	397.13

**29. Expenditure in foreign currency on account of**

Professional / consultancy charges	24.84	2.80
Travelling	98.53	113.15
Others	138.54	132.80
	<u>261.91</u>	<u>248.75</u>

**30. Fees paid to Statutory Auditors (Excluding service tax)**

Statutory Audit	1.50	1.00
Tax Audit	-	0.16
Independent Auditor's report for consolidation	-	0.20
Other Certification	0.61	0.54
Reimbursement of expenses	-	0.09
	<u>2.11</u>	<u>1.99</u>

**31. 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 2018 is Rs.4.14 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	2.78	1.36 *	4.14

\* Contribution made from 01.04.2018 till 23.05.2018.

**32. 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                    | 6. Ramco Systems Canada Inc., Canada (wholly owned subsidiary of Ramco Systems Corporation, USA) |
| 2. Ramco Systems Ltd., Switzerland                   | 7. Ramco Systems FZ-LLC, Dubai   |
| 3. Ramco Systems Pte Ltd., Singapore                 | 8. RSL Software Company Limited, Sudan   |
| 4. Ramco Systems Sdn. Bhd., Malaysia                 | 9. Ramco Systems Australia Pty Ltd., Australia   |
| 5. RSL Enterprise Solutions (Pty) Ltd., South Africa |  |

# Ramco Systems Limited, INDIA

10. Ramco System Inc., Philippines
11. Ramco Systems (Shanghai) Co. Ltd., China
12. Ramco System Vietnam Company Limited, Vietnam
13. PT Ramco Systems Indonesia, Indonesia

**b. Key managerial personnel (KMP), including KMP under Companies Act, 2013**

1. P R Ramasubrahmaneya Rajha, Chairman upto 11<sup>th</sup> May 2017
2. P R Venketrama Raja, Vice Chairman & Managing Director upto 3<sup>rd</sup> June 2017, Chairman from 4<sup>th</sup> June 2017
3. P V Abinav Ramasubramaniam Raja , Whole Time Director w.e.f. 4<sup>th</sup> June 2017
4. Virender Aggarwal, Chief Executive Officer
5. R Ravi Kula Chandran, Chief Financial Officer
6. G Kathikeyan, Company Secretary upto 5<sup>th</sup> December 2016
7. P R Karthic, Company Secretary w.e.f. 3<sup>rd</sup> July 2017
8. M M Venkatachalam, Independent Director
9. V Jagadisan, Independent Director upto 16<sup>th</sup> March 2018
10. A V Dharmakrishnan, Non-Executive, Non-Independent Director
11. R S Agarwal, Independent Director
12. 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**

- |   |  |
|---|--|
| 1. Rajapalayam Mills Limited                                    | 15. Shri Abhinava Vidya Theertha Seva Trust                    |
| 2. The Ramco Cements Limited                                    | 16. Smt. Lingammal Ramaraju Shastra Prathista Trust            |
| 3. Ramco Industries Limited                                     | 17. The Ramco Cements Limited Educational and Charitable Trust |
| 4. The Ramaraju Surgical Cotton Mills Limited                   | 18. Gowrihouse Metal Works                                     |
| 5. Sri Vishnu Shankar Mills Limited                             | 19. JKR Enterprises Limited                                    |
| 6. Sandhya Spinning Mill Limited                                | 20. Gowrishankar Screws  |
| 7. Thanjavur Spinning Mill Limited                              | 21. P A C R Sethurammam Charity Trust                          |
| 8. Rajapalayam Spintex<br>(A division of Rajapalayam Mills Ltd) | 22. P A C R Sethurammam Charities                              |
| 9. Sri Harini Textiles Limited                                  | 23. Rajapalayam Spinners Limited                               |
| 10. Swarna Boomi Estate   | 24. Ontime Industrial Services Limited                         |
| 11. Thanga Vilas Estate   | 25. Madurai Trans Carrier Limited                              |
| 12. Rajapalayam Textile Limited                                 | 26. Ramco Welfare Trust  |
| 13. Shri Harini Media Limited                                   | 27. Lynks Logistics Limited                                    |
| 14. Sudarsanam Estate   | 28. Ramco Management Private Limited                           |

**e. Employee benefit funds where control exists**

1. Ramco Systems Limited employees group gratuity scheme
2. Ramco Systems Limited employees superannuation scheme

The Company's transactions with the above related parties are given below:

Rs. Mln.

Particulars	Transaction during 2017-18	Outstanding as at 31.03.2018	Unbilled/ (unearned) as at 31.03.2018	Transaction during 2016-17	Outstanding as at 31.03.2017
<b>Income from Sale of goods &amp; services</b>					
Ramco Systems Corporation, USA	135.73	54.74	-	152.19	10.81
Ramco Systems Canada Inc, Canada	14.55	0.42	-	23.07	3.50
Ramco Systems Limited, Switzerland	3.76	1.08	-	14.60	5.42
Ramco Systems Sdn. Bhd., Malaysia	69.37	53.86	-	65.29	48.39
Ramco Systems Pte. Ltd., Singapore	106.48	86.08	-	102.73	73.82
RSL Enterprise Solutions (Pty) Ltd., South Africa	72.98	30.15	-	120.22	79.81
Ramco Systems FZ-LLC, Dubai	151.32	100.30	-	194.41	123.98
RSL Software Co. Ltd., Sudan	0.35	12.95	-	0.29	12.59
Ramco Systems Australia Pty Ltd., Australia	173.45	119.31	-	165.05	126.02
Ramco System Inc., Philippines	72.57	52.52	-	50.80	48.96
The Ramco Cements Limited	205.01	-	48.68 (31.03.2017 - Nil)	210.91	0.16
Ramco Industries Limited	29.25	-	-	62.55	-
Rajapalayam Mills Limited	2.22	0.04	-	2.33	0.20
Rajapalayam Textile Limited	0.61	0.02	-	0.30	-
Sri Vishnu Shankar Mills Limited	1.13	0.09	-	1.14	-
Sandhya Spinning Mill Limited	1.06	-	-	1.00	-
Thanjavur Spinning Mill Limited	0.21	-	-	0.29	0.07
Sri Harini Textiles Limited	0.14	-	-	0.17	-
The Ramaraju Surgical Cotton Mills Limited	1.51	-	-	1.39	0.02
Sudarsanam Estate	0.10	-	-	0.22	0.18
Swarna Bhoomi Estate	0.07	-	-	0.14	-
Thanga Vilas Estate	0.07	-	-	0.15	-
Ramco Welfare Trust	0.07	-	-	0.06	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.07	0.01	-	0.06	0.01
The Ramco Cements Limited Educational and Charitable Trust	0.29	-	-	0.26	0.07
Gowrihouse Metal Works	0.09	-	-	0.18	-
Gowrishankar Screws	0.22	-	-	0.22	-
P.A.C.R Sethurammam Charity Trust	0.36	-	-	0.06	0.07
P.A.C.R. Sethurammam Charities	0.07	0.02	-	0.32	-
JKR Enterprises Limited	0.07	-	-	0.14	-
Ontime Industrial Services Limited	-	-	-	11.5	-
Madurai Trans Carrier Limited	1.34	-	-	0.95	0.95
<b>Income from royalty</b>					
Ramco Systems Corporation, USA	211.13	93.63	-	134.32	23.92
Ramco Systems Canada Inc., Canada	2.41	0.85	-	3.83	0.18
Ramco Systems Limited, Switzerland	6.49	2.16	-	11.18	2.89

## Ramco Systems Limited, INDIA

Particulars	Transaction during 2017-18	Outstanding as at 31.03.2018	Unbilled/ (unearned) as at 31.03.2018	Transaction during 2016-17	Outstanding as at 31.03.2017
Ramco Systems Sdn. Bhd., Malaysia	61.50	49.41	-	54.21	31.50
Ramco Systems Pte. Ltd., Singapore	105.10	86.23	-	36.50	33.45
Ramco Systems FZ-LLC, Dubai	190.84	40.76	50.84 (31.03.2017 - Nil)	190.46	135.48
Ramco Systems Australia Pty Ltd., Australia	66.46	48.79	-	85.28	58.99
RSL Enterprise Solutions (Pty) Ltd., South Africa	-	-	-	0.45	-
Ramco System Inc., Philippines	119.41	52.28	-	65.22	22.95
<b>Income from sale of license</b>					
Ramco Systems Pte. Ltd., Singapore	141.50	-	(62.98) (31.03.2017 - Nil)	144.94	69.22
<b>Cost of services availed</b>					
Ramco Systems Limited, Switzerland	-	19.74	-	-	16.35
Ramco Systems Sdn. Bhd., Malaysia	11.16	11.16	-	-	-
Ramco Systems Pte. Ltd., Singapore	1.46	1.46	-	-	-
Ramco Systems Australia Pty Ltd., Australia	1.23	1.20	-	-	-
Ramco System Inc., Philippines	0.74	0.74	-	-	-
Ontime Industrial Services Ltd	6.47	5.92	-	-	-
<b>Loans given</b>					
Ramco Systems Sdn. Bhd., Malaysia	79.17	79.17	-	-	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	88.83	43.94	-	6.60	56.53
Ramco Systems Australia Pty Ltd., Australia	285.66	89.35	-	214.64	294.01
Ramco Systems Pte. Ltd., Singapore	320.93	49.63	-	371.28	132.70
Ramco Systems FZ-LLC, Dubai	4.50	206.90	-	134.49	189.98
Ramco System Inc., Philippines	38.75	-	-	-	-
<b>Investments (refer note no.7)</b>					
Ramco Systems Pte. Ltd., Singapore	605.95	-	-	346.65	-
Ramco System Inc., Philippines	-	-	-	17.44	-
Ramco Systems Australia Pty Ltd., Australia	473.68	-	-	-	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	99.02	-	-	-	-
Ramco Systems (Shanghai ) Co. Ltd., China	10.41	-	-	-	-
Ramco System Vietnam Company Limited, Vietnam	16.44	-	-	-	-
PT Ramco Systems Indonesia, Indonesia	16.28	-	-	-	-
<b>Interest – Income</b>					
RSL Enterprise Solutions (Pty) Ltd., South Africa	5.77	-	-	5.70	-
Ramco Systems Australia Pty Ltd., Australia	48.53	-	-	21.56	-
Ramco Systems Pte. Ltd., Singapore	34.50	-	-	29.68	-
Ramco Systems FZ-LLC, Dubai	22.25	-	-	13.97	-
Ramco Systems Sdn. Bhd., Malaysia	4.05	-	-	-	-
Ramco System Inc., Philippines	0.81	-	-	-	-
<b>Rent expense</b>					
The Ramco Cements Limited	83.16	-	-	81.50	-
Rajapalayam Mills Limited	0.08	-	-	0.07	-

Particulars	Transaction during 2017-18	Outstanding as at 31.03.2018	Unbilled/ (unearned) as at 31.03.2018	Transaction during 2016-17	Outstanding as at 31.03.2017
<b>Sitting fees</b>					
P R Ramasubrahmaneya Rajha	-	-	-	0.06	-
M M Venkatachalam	0.14	-	-	0.14	-
V Jagadisan	0.17	-	-	0.14	-
A V Dharmakrishnan	0.15	-	-	0.14	-
R S Agarwal	0.09	-	-	0.08	-
Soundara Kumar	0.14	-	-	0.08	-
P R Venketrama Raja	0.08	-	-	-	-
P V Abinav Ramasubramaniam Raja	0.06	-	-	-	-
<b>Fees for professional services</b>					
V Jagadisan	-	-	-	0.15	-
<b>Remuneration</b>					
P R Venketrama Raja	0.20	-	-	1.17	-
R Ravi Kula Chandran	8.84	-	-	9.49	-
G Karthikeyan	-	-	-	0.86	-
P V Abinav Ramasubramaniam Raja	1.08	-	-	-	-
P R Karthic	0.57	-	-	-	-
<b>Application money received for exercise of stock options</b>					
Virender Aggarwal	-	-	-	8.28	-
R Ravi Kula Chandran	1.84	-	-	2.39	-
A V Dharmakrishnan	5.70	-	-	10.64	-
<b>CSR Contribution</b>					
Shri Abhinava Vidya Theertha Seva Trust	4.14	-	-	0.90	-
<b>Contributions made</b>					
Ramco Systems Limited employees group gratuity scheme	9.03	-	-	12.11	-
Ramco Systems Limited employees superannuation scheme	12.37	-	-	12.49	-

Notes:

- Details of corporate guarantee / Undertaking given by the Company are given in the note no.35.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- 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.
- 2,500 options granted during the previous year under the employee stock option to G Karthikeyan, Company Secretary.
- Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Rs. Mln.

Particulars	2017-18	2016-17
Short – Term Benefits *	17.08	42.18
Defined Contribution Plan **	0.97	1.46
Defined Benefit Plan / Other Long-term benefits ***	-	-
<b>Total</b>	<b>18.05</b>	<b>43.64</b>

\* It includes bonus, sitting fees and value of perquisites.

\*\* It includes contribution to Provident fund, Superannuation, NPS and accrual of Gratuity.

\*\*\* Based on actual payment if any.

## Ramco Systems Limited, INDIA

f) Maximum loan outstanding during the year from subsidiaries

Rs. Mln.

Name of the subsidiary	2017-18	2016-17
Ramco Systems Sdn. Bhd., Malaysia	79.17	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	86.31	82.73
Ramco Systems Australia Pty Ltd., Australia	611.82	294.01
Ramco Systems Pte. Ltd., Singapore	437.83	419.58
Ramco Systems FZ-LLC, Dubai	231.36	189.98
Ramco System Inc., Phillipines	39.31	-

33. 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 the short term maturities of these instruments.

### 34. 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 by the Total Equity.

Rs. Mln.

Particulars	As at 31.03.2018	As at 31.03.2017
Borrowings	366.44	50.00
Less: Cash and cash equivalents	28.46	19.95
<b>Net Debt (A)</b>	<b>337.98</b>	30.05
Equity Share Capital	305.75	304.41
Other Equity	7,243.58	6,546.83
<b>Total Equity (B)</b>	<b>7,549.33</b>	6,851.24
<b>Debt / Equity (A / B)</b>	<b>4.48%</b>	0.44%

In order to achieve the 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/borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>35. Contingent liabilities and commitments</b>		
<b>Contingent Liabilities</b>		
<b>a) Bank Guarantees</b>		
Issued by the Bankers to the Company (as at 31 March 2018 including Rs. 57.02 Mln. and as at 31 March 2017 including Rs.57.66 Mln. in favour of a banker to the Dubai subsidiary, Ramco Systems FZ-LLC; as at 31st March 2018 including Rs. 20.72 Mln. and as at 31 March 2017 Nil, in favour of banker to the Philippines Subsidiary, Ramco System Inc; and as at 31 March 2018 Rs. 3.03 Mln. and as at 31 March 2017 Nil in favor of overseas bank on behalf of Dubai Branch.)	<b>108.82</b>	97.58
<b>b) Corporate Guarantee issued in favour of customer(s) of</b>		
i) the Malaysian subsidiary, Ramco Systems Sdn. Bhd	<b>32.25</b>	32.23
ii) the Australian subsidiary, Ramco Systems Australia Pty. Ltd.	<b>123.75</b>	122.45
<b>c) Claims against the Company not acknowledged as debts</b>		
i) Disputed Tamil Nadu VAT demand		
1. Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	<b>75.86</b>	75.86
2. Relating to 2014-15 to 2016-17 in respect of which no demand notice has been received	<b>26.73</b>	24.87
ii) Disputed Service tax demand – pending before the first appellate authority – Years 2009-10 to 2014-15	-	4.58
iii) Disputed Sales tax demand – pending before the first appellate authority, Mumbai – Year 2012-13	<b>0.09</b>	-
iv) Disputed Service tax demand – pending before the first appellate authority – Years 2014-15 to 2017-18	<b>1.21</b>	-
v) Income Tax – pending before the assessing authority AY: 2010-11	<b>0.004</b>	-
vi) Income Tax – pending before the assessing authority AY: 2018-19	<b>0.14</b>	-
vii) Other litigations	<b>29.03</b>	17.53
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>16.84</b>	7.03

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore and Ramco Systems Australia Pty. Ltd., Australia, for their operations and have also undertaken to ensure their going concern status with respect to debt dues to Ramco Systems Limited, Switzerland.

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.

### 36. 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 oversees the compliance with the policy. The Internal Audit reviews the risk management controls and procedures and reports to the Audit Committee.



# Ramco Systems Limited, INDIA

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.

Interest rate risk exposure on the average borrowing for the year:

Rs. Mln.

Particulars	2017-18	2016-17
Fixed rate borrowing	304.06	112.40
Variable rate borrowing	4.94	12.05

1% change in interest rate on variable rate borrowing would impact the interest cost for 2017-18 by Rs.0.05 Mln. (2016-17 by Rs.0.12 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, unbilled revenues, loans given to overseas subsidiaries, trade payables and bank balances.

The Company's exposure to foreign currency risk with respect to material currencies (un-hedged) as detailed below:

Currency	Trade receivables	Unbilled revenues	Bank balances	Loans given	Trade payables	Total
<b>AED in Million</b>						
As at 31.03.2018	8.04	3.16	-	24.04	-	35.24
As at 31.03.2017	17.46	0.29	-	11.05	-	28.80
<b>AUD in Million</b>						
As at 31.03.2018	3.31	-	-	3.61	(0.02)	6.90
As at 31.03.2017	3.78	-	-	6.00	-	9.78
<b>SGD in Million</b>						
As at 31.03.2018	3.46	-	-	2.02	(0.03)	5.45
As at 31.03.2017	3.54	-	-	2.89	-	6.43
<b>USD in Million</b>						
As at 31.03.2018	2.52	0.58	0.05	2.46	(0.26)	5.35
As at 31.03.2017	0.78	0.42	0.04	-	(0.18)	1.06

Sensitivity analysis between Indian Rupee and the foreign currencies specified above for an increase of / decrease by Re.1:

Rs. Mln.

Foreign Currency	31.03.2018		31.03.2017	
	Increase	Decrease	Increase	Decrease
AED	35.24	(35.24)	28.80	(28.80)
AUD	6.90	(6.90)	9.78	(9.78)
SGD	5.45	(5.45)	6.43	(6.43)
USD	5.35	(5.35)	1.06	(1.06)

## 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 receivables of the Company include a) dues from its overseas subsidiaries amounting to 76 % as at 31 March 2018 (74% as at 31 March 2017), of total trade receivables which are risk free and b) dues from others which 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. were 8 customers and 34% as at 31 March 2018 (13 customers and 43% as at 31 March 2017).

Trade receivables are written off / provided for, when there is no reasonable expectation of realisation, such as debtor declaring bankruptcy or failing to engage in a repayment plan with the Company and where there is a probability of default. Apart from this, the Company maintains a provision based on Expected Credit Loss for trade receivables at the rate of 3% on outstanding more than 365 days.

### B.2 Unbilled revenues

Unbilled revenues of the Company are also exposed to risk in the event of the inability to bill the customer. Unbilled revenues are written off / provided for, when there is no reasonable expectation of billing. Apart from this, the Company maintains 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

Investments of surplus funds are made only with approved counterparties. The Company is presently exposed to counter party risk relating to deposits with banks 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 risks 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.

# Ramco Systems Limited, INDIA

## Financial arrangements

The Company has access to the following undrawn borrowing facilities:

Rs. Mln.

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Expiring within one year</b>		
Bank cash credit / overdraft / packing credit / WCDL	633.55	570.00
<b>Expiring beyond one year</b>	Nil	

## Maturities of Financial liabilities

Year ended	< 1 year	> 1 year	Total
<b>As at 31 March 2018</b>			
Borrowings	366.44	-	366.44
Trade and other payables	216.00	-	216.00
<b>Total</b>	<b>582.44</b>	<b>-</b>	<b>582.44</b>
<b>As at 31 March 2017</b>			
Borrowings	50.00	-	50.00
Trade and other payables	219.80	-	219.80
<b>Total</b>	<b>269.80</b>	<b>-</b>	<b>269.80</b>

37. The Company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.
38. The Company's shares are listed on BSE Limited and The National Stock Exchange of India Limited. In line with the provisions of the listing agreement with the stock exchanges, the listing fee for the financial year 2018-19 have been paid to the BSE Limited and The National Stock Exchange of India Limited.
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 have been rounded off to the million in current and previous years.

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**

Partner

Membership No.:021510

**P R VENKETRAMA RAJA**  
Chairman

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**  
Director

**P R KARTHIC**  
Company Secretary

Place : Chennai  
Date : 23 May 2018

## RESEARCH AND DEVELOPMENT ACTIVITIES

### BALANCE SHEET AS AT 31 MARCH 2018

	Note No.	As at 31.03.2018 Rs. Mln.	As at 31.03.2017 Rs. Mln.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	1.39	2.81
Intangible assets	2	2,371.37	2,430.74
<b>Total non-current assets</b>		<u>2,372.76</u>	<u>2,433.55</u>
<b>Current assets</b>			
Financial assets		0.21	0.37
Other current assets		2.01	5.09
<b>Total current assets</b>		<u>2.22</u>	<u>5.46</u>
<b>Total assets</b>		<u>2,374.98</u>	<u>2,439.01</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		(4,654.59)	(4,240.86)
<b>Total equity</b>		<u>(4,654.59)</u>	<u>(4,240.86)</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Head office contra account		7,018.54	6,669.70
<b>Total non-current liabilities</b>		<u>7,018.54</u>	<u>6,669.70</u>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables		3.90	1.75
Other current liabilities		7.13	8.42
<b>Total current liabilities</b>		<u>11.03</u>	<u>10.17</u>
<b>Total liabilities</b>		<u>7,029.57</u>	<u>6,679.87</u>
<b>Total equity and liabilities</b>		<u>2,374.98</u>	<u>2,439.01</u>
Notes on Financials of Research & Development activities	1 to 5		

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**  
Partner  
Membership No.:021510

**P R VENKETRAMA RAJA**  
Chairman

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**  
Director

**P R KARTHIC**  
Company Secretary

Place : Chennai  
Date : 23 May 2018

# Ramco Systems Limited, INDIA

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

	Note No.	Year ended 31.03.2018  Rs. Mln.	Year ended 31.03.2017  Rs. Mln.
<b>Expenses</b>			
Employee benefits expense	3	0.32	8.38
Depreciation and amortisation expense	1 & 2	413.41	397.22
Other expenditure	4	-	-
<b>Total expenditure</b>		<b>413.73</b>	405.60
<b>Profit / (loss) for the year</b>		<b>(413.73)</b>	(405.60)

Notes on financials of Research & Development Activities

1 to 5

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**

Partner  
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**P R VENKETRAMA RAJA**  
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Whole Time Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**  
Director

**P R KARTHIC**  
Company Secretary

Place : Chennai  
Date : 23 May 2018

# NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

## 1. Property, plant and equipment

Rs. Mln.

Particulars	Laptops and desktops	Servers and networks	Office equipments	Total
<b>Gross carrying value</b>				
<b>As at 01 April 2016</b>	<b>29.99</b>	<b>46.19</b>	<b>0.17</b>	<b>76.35</b>
Additions	1.03	-	-	1.03
Disposals	-	-	-	-
<b>As at 31 March 2017</b>	<b>31.02</b>	<b>46.19</b>	<b>0.17</b>	<b>77.38</b>
Additions	-	-	-	-
Disposals	(26.73)	(46.19)	-	(72.92)
<b>As at 31 March 2018</b>	<b>4.29</b>	<b>-</b>	<b>0.17</b>	<b>4.46</b>
<b>Depreciation</b>				
<b>As at 01 April 2016</b>	<b>27.05</b>	<b>46.09</b>	<b>0.13</b>	<b>73.27</b>
For the year	1.19	0.10	0.01	1.30
Disposals	-	-	-	-
<b>As at 31 March 2017</b>	<b>28.24</b>	<b>46.19</b>	<b>0.14</b>	<b>74.57</b>
For the year	1.41	-	0.01	1.42
Disposals	(26.73)	(46.19)	-	(72.92)
<b>As at 31 March 2018</b>	<b>2.92</b>	<b>-</b>	<b>0.15</b>	<b>3.07</b>
<b>Carrying value</b>				
<b>As at 31 March 2017</b>	<b>2.78</b>	<b>-</b>	<b>0.03</b>	<b>2.81</b>
<b>As at 31 March 2018</b>	<b>1.37</b>	<b>-</b>	<b>0.02</b>	<b>1.39</b>

## 2. Intangible assets

Rs. Mln.

Particulars	Technology platform	Product software	Computer software	Total
<b>Gross carrying value</b>				
<b>As at 01 April 2016</b>	<b>1,315.61</b>	<b>3,388.23</b>	<b>79.20</b>	<b>4,783.04</b>
Additions	90.89	239.47	0.34	330.70
Deletions	-	-	-	-
<b>As at 31 March 2017</b>	<b>1,406.50</b>	<b>3,627.70</b>	<b>79.54</b>	<b>5,113.74</b>
Additions	70.59	282.03	-	352.62
Deletions	-	-	(41.10)	(41.10)
<b>As at 31 March 2018</b>	<b>1,477.09</b>	<b>3,909.73</b>	<b>38.44</b>	<b>5,425.26</b>
<b>Amortisation</b>				
<b>As at 01 April 2016</b>	<b>662.47</b>	<b>1,560.43</b>	<b>64.18</b>	<b>2,287.08</b>
For the year	103.93	285.59	6.40	395.92
Impairment loss	-	-	-	-
<b>As at 31 March 2017</b>	<b>766.40</b>	<b>1,846.02</b>	<b>70.58</b>	<b>2,683.00</b>
For the year	108.32	297.26	6.41	411.99
Impairment loss	-	-	(41.10)	(41.10)
<b>As at 31 March 2018</b>	<b>874.72</b>	<b>2,143.28</b>	<b>35.89</b>	<b>3,053.89</b>
<b>Carrying value</b>				
<b>As at 31 March 2017</b>	<b>640.10</b>	<b>1,781.68</b>	<b>8.96</b>	<b>2,430.74</b>
<b>As at 31 March 2018</b>	<b>602.37</b>	<b>1,766.45</b>	<b>2.55</b>	<b>2,371.37</b>

Note:

The disposals under property, plant and equipment include gross block of Rs.67.85 Mln. and net block of Rs. Nil, and the deletions under intangible assets include gross block of Rs.41.10 Mln. and net block of Rs. Nil, as no longer required and accordingly moved to assets held for sale.

## Ramco Systems Limited, INDIA

	Year ended 31.03.2018	Year ended 31.03.2017
	Rs. Mln.	Rs. Mln.
<b>3. Employee benefits expense</b>		
Salaries, Bonus, contributions etc.,	305.10	285.07
Staff welfare	5.14	5.17
Gross cost	310.24	290.24
Less: Product research and development expenditure capitalised	(309.92)	(281.86)
	0.32	8.38
<b>4. Other expenses</b>		
Postage & telephone	0.21	0.36
Power & fuel	6.04	6.67
Travel & conveyance	8.55	6.07
Rent / Hosting charges	4.80	14.80
Consultancy & outsourcing charges	21.81	19.20
Other miscellaneous expenses	1.30	1.40
Gross cost	42.71	48.50
Less: Product research and development expenditure capitalised	(42.71)	(48.50)
	-	-
<b>5. Calculation of total R&amp;D expenditure</b>		
i) Capital expenditure for R&D (exclusive of product research & development expenditure capitalised) (refer note no. 1 & 2)	-	1.37
ii) Recurring R&D expenditure:		
Employee benefits expense - gross (refer note no. 3)	310.24	290.24
Other expenses - gross (refer note no.4)	42.71	48.50
Sub-total	352.95	338.74
<b>Total R&amp;D expenditure (i) + (ii)</b>	352.95	340.11



**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
- 12 Ramco System Vietnam Company Limited, Vietnam
- 13 PT Ramco Systems Indonesia, Indonesia

**AUDITORS**

**Messrs M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants, Chennai

# Ramco Systems Limited, Consolidated Financials

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ("the Consolidated 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 the share of profit of its Associate. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended 31 March 2018 and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013, ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated cash flow of the Group including its Associate and consolidated changes in equity in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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 Financial Statements.

The respective Board of Directors of the companies included in the Group and 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 its Associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated 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 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 Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 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 Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group (including the effect of share in the profit of its Associate) as at 31 March 2018, and its consolidated profit (including Other Comprehensive Income and the share in the profit of its Associate), its consolidated cash flows and consolidated changes in equity for the year ended on 31 March 2018.

### Other Matters

- a. The Consolidated Financial Statements include financial statements for the year ended 31 March 2017 which was audited by the previous independent auditor and included on that basis.
- b. The Consolidated Financial Statements reflect the Group's share of total assets of Rs.3,968.16 Mln. as at 31 March 2018, the total revenues of Rs.3,287.23 Mln., total loss of Rs.544.11 Mln. and net cash inflow of Rs.49.36 Mln. for the year ended 31 March 2018 of the subsidiaries, which were not audited by us but were audited /reviewed by other independent auditors whose reports have been furnished to us by the Management. Our opinion in terms of sub-section (3) and (11) of section 143 of the Act, on the Consolidated Financial Statements in so far as it relates to the amount as mentioned above and disclosures included in respect of the subsidiaries, is solely based on the report of the other independent auditors.
- c. The Consolidated Financial Statements include share of profit after tax of the Associate amounting to Rs.1.41 Mln., for the year ended 28 February 2018 which was not audited. Our opinion in terms of sub-section (3) and (11) of section 143 of the Act, on the consolidated financial statements in so far as it relates to the amount as mentioned above and disclosures included in respect of the Associate, is solely based on the certification of the unaudited financials by the Management.
- 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 paragraphs (a), (b) and (c).

### 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 Consolidated Financial Statements.
2. in our opinion, proper books of accounts as required by law relating to preparation of the Consolidated 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 Financial Statements.
4. in our opinion, the Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
5. on the basis of the written representations received from the Directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
6. we have enclosed our separate report in "Annexure A" 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

# Ramco Systems Limited, Consolidated Financials

- i. The Group has disclosed the impact of pending litigations in Note no. 33 (c) of the Consolidated Financial Statements.
- ii. The Group and its Associate do 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.

In reaching conclusions commented upon in items i) to iii) above, we have relied on our audit of the Holding Company, the audit / review of the subsidiaries by other independent auditors, and management certification in the case of Associate.

**For M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**  
Partner  
Membership No. 021510

Place : Chennai  
Date : 23 May 2018

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## “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 6 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on the Consolidated Financial Statements of the Holding Company for the year ended 31 March 2018.)

### **Report on the Internal Financial Controls Over Financial Reporting 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 31 March 2018 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on 31 March 2018. 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 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 (“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 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, 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31 March 2018, 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.

**For M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants  
Firm Registration No. 001208S

**K SRINIVASAN**

Partner  
Membership No. 021510

Place : Chennai  
Date : 23 May 2018

# Ramco Systems Limited, Consolidated Financials

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Note No.	As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	169.14	2.62	170.95	2.65
Intangible assets	6	2,435.80	37.77	2,503.47	38.84
Investment in associate	7	12.49	0.20	11.09	0.17
Financial assets	8				
Loans		40.00	0.62	-	-
Investments		15.00	0.23	15.00	0.23
Trade receivables		63.25	0.98	119.18	1.85
Other financial assets		1,062.98	16.48	575.76	8.93
Tax assets (net)		136.05	2.11	156.38	2.43
Deferred tax assets (net)	9	431.64	6.69	478.31	7.42
Other non-current assets	10	1.88	0.03	2.69	0.04
		<u>4,368.23</u>	<u>67.73</u>	<u>4,032.83</u>	<u>62.56</u>
<b>Current assets</b>					
Inventories	11	-	-	0.16	-
Financial assets	12				
Loans		11.39	0.18	-	-
Trade receivables		1,181.22	18.32	1,141.85	17.72
Cash and cash equivalents		138.82	2.15	80.94	1.26
Other financial assets		1,603.54	24.86	1,380.08	21.41
Tax assets (net)		74.07	1.15	46.61	0.73
Other current assets	13	144.54	2.24	90.58	1.41
		<u>3,153.58</u>	<u>48.90</u>	<u>2,740.22</u>	<u>42.53</u>
<b>Total assets</b>		<u>7,521.81</u>	<u>116.63</u>	<u>6,773.05</u>	<u>105.09</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	14	305.75	6.04	304.41	6.02
Other equity	15	5,231.96	79.82	5,097.82	77.79
<b>Equity attributable to equity holders of the parent</b>		<u>5,537.71</u>	<u>85.86</u>	<u>5,402.23</u>	<u>83.81</u>
Non-controlling interests		7.99	0.13	5.15	0.08
<b>Total equity</b>		<u>5,545.70</u>	<u>85.99</u>	<u>5,407.38</u>	<u>83.89</u>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities	16				
Other financial liabilities		31.45	0.48	5.73	0.09
Deferred tax liabilities (net)	9	1.16	0.02	0.90	0.01
Provisions	17	142.31	2.21	136.56	2.12
Other non-current liabilities	18	9.70	0.15	13.94	0.22
		<u>184.62</u>	<u>2.86</u>	<u>157.13</u>	<u>2.44</u>
<b>Current liabilities</b>					
Financial liabilities	19				
Borrowings		380.02	5.89	50.00	0.78
Trade payables		459.18	7.12	490.19	7.61
Other financial liabilities		15.38	0.24	19.03	0.30
Provisions	20	10.90	0.17	6.83	0.10
Liabilities for current tax		27.71	0.43	14.51	0.23
Other current liabilities	21	898.30	13.93	627.98	9.74
		<u>1,791.49</u>	<u>27.78</u>	<u>1,208.54</u>	<u>18.76</u>
<b>Total liabilities</b>		<u>1,976.11</u>	<u>30.64</u>	<u>1,365.67</u>	<u>21.20</u>
<b>Total equity and liabilities</b>		<u>7,521.81</u>	<u>116.63</u>	<u>6,773.05</u>	<u>105.09</u>

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 5-38

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**P R VENKETRAMA RAJA**  
Chairman

**SOUNDARA KUMAR**  
Director

**K SRINIVASAN**

Partner  
Membership No.:021510

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**P R KARTHIC**  
Company Secretary

Place : Chennai  
Date : 23 May 2018

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

	Note No.	Year ended 31.03.2018		Year ended 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Income</b>					
Revenue from operations	22	4,692.19	73.15	4,491.77	67.24
Finance income	23	50.26	0.78	55.75	0.83
Other income	24	46.94	0.73	45.69	0.69
<b>Total income</b>		<b>4,789.39</b>	<b>74.66</b>	<b>4,593.21</b>	<b>68.76</b>
<b>Expenses</b>					
Purchase of stock-in-trade		7.87	0.12	35.58	0.53
Changes in inventories of stock-in-trade	25	(0.16)	-	2.06	0.03
Employee benefits expense	26	2,018.10	31.46	2,060.33	30.84
Finance costs	27	13.09	0.20	13.35	0.20
Depreciation and amortisation expense	28	500.98	7.81	477.60	7.15
Other expenses	29	1,908.26	29.75	2,310.26	34.59
<b>Total expenses</b>		<b>4,448.14</b>	<b>69.34</b>	<b>4,899.18</b>	<b>73.34</b>
<b>Profit / (Loss) before share of Profit of an associate</b>		<b>341.25</b>	<b>5.32</b>	<b>(305.97)</b>	<b>(4.58)</b>
Share of Profit of an associate	7	1.41	0.02	1.50	0.02
<b>Profit / (Loss) before tax</b>		<b>342.66</b>	<b>5.34</b>	<b>(304.47)</b>	<b>(4.56)</b>
<b>Income tax expense</b>					
Current tax (includes MAT)		186.87	2.91	67.62	1.01
Deferred tax (includes MAT credit)		40.10	0.63	(480.85)	(7.20)
<b>Total income tax expenses</b>	9	<b>226.97</b>	<b>3.54</b>	<b>(413.23)</b>	<b>(6.19)</b>
<b>Profit for the year</b>		<b>115.69</b>	<b>1.80</b>	<b>108.76</b>	<b>1.63</b>
<b>Other comprehensive income</b>					
(i) Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) of defined benefit obligations		20.57	0.32	(3.18)	(0.05)
Income tax on above item(s)	9	(7.19)	(0.11)	1.10	0.02
		<b>13.38</b>	<b>0.21</b>	<b>(2.08)</b>	<b>(0.03)</b>
(ii) Items that may be reclassified to profit or loss					
Effect of change in functional currency of foreign operations		(24.22)	(0.44)	(3.47)	1.86
Income tax on above item(s)		-	-	-	-
		<b>(24.22)</b>	<b>(0.44)</b>	<b>(3.47)</b>	<b>1.86</b>
<b>Other comprehensive income for the year (i + ii)</b>		<b>(10.84)</b>	<b>(0.23)</b>	<b>(5.55)</b>	<b>1.83</b>
<b>Total comprehensive income for the year</b>		<b>104.85</b>	<b>1.57</b>	<b>103.21</b>	<b>3.46</b>
<b>Profit for the year attributable to:</b>					
a) Shareholders of the Company		112.85	1.76	106.65	1.60
b) Non-controlling interests		2.84	0.04	2.11	0.03
		<b>115.69</b>	<b>1.80</b>	<b>108.76</b>	<b>1.63</b>
<b>Total comprehensive income for the year attributable to:</b>					
a) Shareholders of the Company		102.01	1.53	101.10	3.43
b) Non-controlling interests		2.84	0.04	2.11	0.03
		<b>104.85</b>	<b>1.57</b>	<b>103.21</b>	<b>3.46</b>
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		3.70	0.06	3.54	0.05
Diluted		3.70	0.06	3.54	0.05
Weighted average equity shares used in computing earnings per share					
Basic		30,478,159		30,148,545	
Diluted		30,478,159		30,148,545	
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	5-38				
As per our report annexed	<b>P R VENKETRAMA RAJA</b>	<b>SOUNDARA KUMAR</b>			
For <b>M S JAGANNATHAN &amp; N KRISHNASWAMI</b>	Chairman	Director			
Chartered Accountants	<b>P V ABINAV RAMASUBRAMANIAM RAJA</b>	<b>P R KARTHIC</b>			
Firm Registration No. 001208S	Whole Time Director	Company Secretary			
<b>K SRINIVASAN</b>	<b>R RAVI KULA CHANDRAN</b>	Place : Chennai			
Partner	Chief Financial Officer	Date : 23 May 2018			
Membership No.:021510					



# Ramco Systems Limited, Consolidated Financials

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2018

	Year ended 31.03.2018		Year ended 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>A. Cash flow from operating activities:</b>				
<b>Profit before tax</b>	<b>341.25</b>	<b>5.32</b>	<b>(305.97)</b>	<b>(4.58)</b>
Adjustments for :				
Depreciation and impairment of property, plant and equipment (PPE)	64.88	1.01	59.48	0.89
Amortisation and impairment of intangible assets	436.10	6.80	418.12	6.26
Share based payment expense accrual	14.39	0.22	105.90	1.59
(Profit) / loss on sale of PPE (net)	2.45	0.04	1.18	0.02
Bad debts / provision for bad debts, net	224.69	3.50	452.57	6.78
Remeasurement of defined benefit obligations	20.57	0.32	(3.18)	(0.05)
Effect of exchange difference on translation of deferred tax & fixed assets	(2.55)	(0.06)	4.23	(0.88)
Effect of change in foreign currency translation reserve	(24.21)	(0.44)	(3.47)	1.86
Unrealised exchange (gain) / loss	(48.73)	(0.76)	94.56	1.42
Finance income	(50.26)	(0.78)	(55.75)	(0.83)
Finance costs	13.09	0.20	13.35	0.20
Grant income	(44.36)	(0.69)	(41.83)	(0.63)
<b>Operating Profit before working capital / other changes</b>	<b>947.31</b>	<b>14.68</b>	<b>739.19</b>	<b>12.05</b>
Adjustments for :				
Increase / (decrease) in provisions	9.82	0.16	6.84	0.15
Increase / (decrease) in trade and other payables	(5.29)	(0.10)	67.33	1.20
Increase / (decrease) in other current liabilities	262.43	4.06	(123.55)	(1.65)
(Increase) / decrease in trade and other receivables	(1,132.08)	(17.48)	(319.65)	(6.00)
(Increase) / decrease in inventories	0.16	-	2.06	0.03
<b>Cash generated from operations</b>	<b>82.35</b>	<b>1.32</b>	<b>372.22</b>	<b>5.78</b>
Income tax paid	(12.59)	(0.21)	(5.15)	(0.04)
<b>Net cash flow from operating activities (A)</b>	<b>69.76</b>	<b>1.11</b>	<b>367.07</b>	<b>5.74</b>
<b>B. Cash flow from investing activities:</b>				
Addition to tangible / Intangible assets	(433.23)	(6.72)	(421.80)	(6.53)
Proceeds from sale of PPE	1.10	0.02	0.76	0.01
Loan to other parties	(51.39)	(0.80)	-	-
Short term fixed deposits placed with Banks	1.14	(0.02)	-	-
Finance income	50.26	0.78	55.75	0.83
Receipt of government grants	36.67	0.57	20.58	0.30
<b>Net cash used in investing activities (B)</b>	<b>(395.45)</b>	<b>(6.17)</b>	<b>(344.71)</b>	<b>(5.39)</b>
<b>C. Cash flow from financing activities:</b>				
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans	17.91	0.28	47.11	0.70
Proceeds from short term borrowings	1,996.78	30.96	1,446.34	21.72
Repayment of short term borrowings	(1,680.34)	(26.06)	(1,396.34)	(20.95)
Finance costs paid	(13.09)	(0.20)	(13.35)	(0.20)
<b>Net cash generated from financing activities (C)</b>	<b>321.26</b>	<b>4.98</b>	<b>83.76</b>	<b>1.27</b>
<b>Net increase / (decrease) in cash and cash equivalents [A+B+C]</b>	<b>(4.43)</b>	<b>(0.08)</b>	<b>106.12</b>	<b>1.62</b>
<b>Effect of unrealised exchange (gain) / loss</b>	<b>48.73</b>	<b>0.76</b>	<b>(94.56)</b>	<b>(1.42)</b>
<b>Net cash generated / (used in) for the year</b>	<b>44.30</b>	<b>0.68</b>	<b>11.56</b>	<b>0.20</b>
Cash and cash equivalents at the beginning of the year	80.94	1.26	69.38	1.06
Cash and cash equivalents as at end of the year	125.24	1.94	80.94	1.26
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>				
Cash and cash equivalents (refer note no.12.3)	138.82	2.15	80.94	1.26
Bank overdrafts (refer note no.19.1)	(13.58)	(0.21)	-	-
Balance as per statement of cash flows	125.24	1.94	80.94	1.26

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**P R VENKETRAMA RAJA**  
Chairman

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director

**K SRINIVASAN**  
Partner  
Membership No.:021510

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**  
Director

**P R KARTHIC**  
Company Secretary

Place : Chennai  
Date : 23 May 2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

### a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	Nos. in Mln.	Rs. Mln.	USD Mln.
<b>Balance as at 01 April 2016</b>	29.99	300.26	5.96
Changes in Equity Share Capital during 2016-17 (refer note no.14)	0.42	4.15	0.06
<b>Balance as at 31 March 2017</b>	30.41	304.41	6.02
Changes in Equity Share Capital during 2017-18 (refer note no.14)	0.13	1.34	0.02
<b>Balance as at 31 March 2018</b>	<b>30.54</b>	<b>305.75</b>	<b>6.04</b>

### b. Other Equity for the year ended 31 March 2018

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. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
As at 01 April 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
Profit for the period	-	-	-	-	-	-	112.85	1.76	-	-	112.85	1.76	2.84	0.04	115.69	1.80
Other comprehensive income																
(a) Remeasurement gains / (losses) of defined benefit obligations*	-	-	-	-	-	-	13.38	0.21	-	-	13.38	0.21	-	-	13.38	0.21
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(24.22)	(0.44)	(24.22)	(0.44)	-	-	(24.22)	(0.44)
Total comprehensive income	-	-	6,497.52	118.32	308.19	4.88	(1,578.44)	(41.80)	(27.44)	(2.08)	5,199.83	79.32	7.99	0.13	5,207.82	79.44
Subscription to stock option schemes	1.16	0.02	-	-	-	-	-	-	-	-	1.16	0.02	-	-	1.16	0.02
Issue of share capital	-	-	16.59	0.26			-	-	-	-	16.59	0.26	-	-	16.59	0.26
Transfer on exercise of stock options	-	-	43.28	0.67	(43.28)	(0.67)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	14.39	0.22	-	-	-	-	14.39	0.22	-	-	14.39	0.22
As at 31 March 2018	1.16	0.02	6,557.38	119.25	279.30	4.43	(1,578.44)	(41.80)	(27.44)	(2.08)	5,231.96	79.82	7.99	0.13	5,239.95	79.95

### 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. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
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 gains / (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

\* In accordance with Ind AS, remeasurement 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.

# Ramco Systems Limited, Consolidated Financials

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 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 2018.

Sl. No.	Name	Country	% holding of the Parent	Year ending on
<b>Subsidiaries</b>				
(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
(l)	Ramco System Vietnam Company Limited (Incorporated on 3rd July 2017)	Vietnam	100%	31st March
(m)	PT Ramco Systems Indonesia (Incorporated on 11th October 2017)	Indonesia	100%	31st March
<b>Affiliate</b>				
(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

The percentage of holding of the Parent Company in respect of subsidiaries against sl. nos. (a) to (k) and affiliate were same as at 31 March 2018 and 31 March 2017 .

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, Logistics 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 2018 were approved and adopted by the Board of Directors of the Company in its meeting held on 23 May 2018.

### 2. Basis of preparation of Consolidated Financial Statements

2.1 The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and the provisions of the Act to the extent notified.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Figures for the year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors M/s. CNGSN & Associates LLP.

- 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 convention on accrual 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 be 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. Figures less than ten thousands are shown as nil.

## 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.

# Ramco Systems Limited, Consolidated Financials

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.

### 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 recognized at cost. The carrying amount of the investment is adjusted to recognize 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 recognized 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 recognized 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.

Revenue in excess of billings are classified as unbilled revenue while billings in excess of revenues are classified as unearned revenue.

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.



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## **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 recognized 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 recognized 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 as per the provisions of the Income tax Act, 1961 for 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.

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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 to 16
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.

#### 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 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 recognized as expenses in the periods in which they are incurred.

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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 fifty thousand 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.

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- 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 recognized in the consolidated statement of profit and loss.



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**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.

**u. Assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

### 3.1 Recent Accounting pronouncements – Standards issued but not effective

Ind AS 115 - Revenue from contracts with customers:

In March 2018, the Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying deletion of existing standard Ind AS 18 and insertion of new standard Ind AS 115 on Revenue from Contracts with Customers. The amendments are applicable to the Group from April 1, 2018. This Standard establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group's existing policy of eliminating the imputed interest attributable to arrangements having extended credit period from the revenue and accounting the same as interest over the credit period is in line with the requirements of Ind AS 115. The Group is also evaluating the further requirements of the amendment and the effect on the financial statements.

Ind AS 21 – Foreign currency translations and advance consideration:

In March 2018, MCA further notified the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, containing Appendix B to Ind AS 21, Foreign currency translations and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendments are applicable to the Group from April 1, 2018. The Group is evaluating the requirements and its effect on the financial statements.

## 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 (PPE) 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.

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## Impairment of financial assets

The impairment of 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. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
<b>Gross carrying value</b>																
As at 01 April 2016	3.12	0.05	288.66	4.38	240.07	3.64	49.32	0.75	80.17	1.22	13.90	0.21	31.00	0.47	706.24	10.72
Additions	-	-	20.01	0.31	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	-	-	(3.18)	0.04	(0.40)	0.08	(0.54)	0.01	(1.35)	-	0.01	-	-	0.01	(5.46)	0.14
As at 31 March 2017	3.12	0.05	303.14	4.69	251.71	3.92	64.72	1.01	92.16	1.42	16.34	0.26	33.37	0.51	764.56	11.86
Additions	-	-	29.81	0.46	17.64	0.27	1.29	0.02	9.60	0.15	0.60	0.01	6.10	0.09	65.04	1.00
Disposals	-	-	(80.83)	(1.25)	(178.77)	(2.77)	(1.63)	(0.03)	(3.33)	(0.05)	(0.74)	(0.01)	(4.82)	(0.07)	(270.12)	(4.18)
Exchange difference	-	-	1.57	0.02	-	-	1.18	0.01	2.11	0.03	0.01	-	-	-	4.87	0.06
As at 31 March 2018	3.12	0.05	253.69	3.92	90.58	1.42	65.56	1.01	100.54	1.55	16.21	0.26	34.65	0.53	564.35	8.74
<b>Depreciation</b>																
As at 01 April 2016	1.73	0.03	248.24	3.77	207.04	3.14	31.73	0.48	39.51	0.60	5.90	0.09	10.82	0.16	544.97	8.27
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	0.01	-	(2.97)	0.06	(0.34)	0.10	(0.48)	(0.01)	(1.05)	(0.01)	(0.01)	-	-	0.01	(4.84)	0.15
As at 31 March 2017	1.79	0.03	266.07	4.14	218.83	3.41	32.82	0.50	52.45	0.80	7.11	0.11	14.54	0.22	593.61	9.21
For the year	0.05	-	27.25	0.43	11.71	0.18	4.68	0.07	15.54	0.25	1.52	0.02	4.13	0.06	64.88	1.01
Disposals	-	-	(80.82)	(1.26)	(178.65)	(2.78)	(0.98)	(0.02)	(3.07)	(0.05)	(0.32)	-	(2.71)	(0.04)	(266.55)	(4.15)
Exchange difference	-	-	1.25	(0.01)	-	0.01	0.51	0.02	1.50	0.02	0.01	0.01	-	-	3.27	0.05
As at 31 March 2018	1.84	0.03	213.75	3.30	51.89	0.82	37.03	0.57	66.42	1.02	8.32	0.14	15.96	0.24	395.21	6.12
<b>Carrying value</b>																
As at 31 March 2017	1.33	0.02	37.07	0.55	32.88	0.51	31.90	0.51	39.71	0.62	9.23	0.15	18.83	0.29	170.95	2.65
As at 31 March 2018	1.28	0.02	39.94	0.62	38.69	0.60	28.53	0.44	34.12	0.53	7.89	0.12	18.69	0.29	169.14	2.62

## 6. Intangible assets

Particulars	Technology Platform		Product Software		Computer Software		Patents		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
<b>Gross carrying value</b>										
As at 01 April 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
Additions	70.59	1.09	282.03	4.37	15.80	0.24	-	-	368.42	5.70
Deletions	-	-	-	-	(288.56)	(4.47)	-	-	(288.56)	(4.47)
Exchange difference	-	(0.01)	-	(0.03)	1.38	0.02	-	-	1.38	(0.02)
As at 31 March 2018	1,477.09	22.90	3,909.75	60.63	194.86	3.03	14.23	0.22	5,595.93	86.78
<b>Amortisation</b>										
As at 01 April 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	4.27	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
For the year	108.31	1.69	297.27	4.64	29.12	0.45	1.40	0.02	436.10	6.80
Impairment loss	-	-	-	-	(288.56)	(4.50)	-	-	(288.56)	(4.50)
Exchange difference	-	(0.02)	-	(0.04)	1.37	0.04	-	-	1.37	(0.02)
As at 31 March 2018	874.71	13.56	2,143.30	33.24	132.99	2.06	9.13	0.15	3,160.13	49.01
<b>Carrying value</b>										
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
As at 31 March 2018	602.38	9.34	1,766.45	27.39	61.87	0.96	5.10	0.08	2,435.80	37.77

1. For the details of security to borrowings, refer note no. 19.

2. The disposals under property, plant and equipment include gross block of Rs.216.53 Mln. (USD 3.36 Mln.) and net block of Rs. Nil, (USD Nil), and the deletions under intangible assets include gross block of Rs.278.46 Mln. (USD 4.32 Mln.) and net block of Rs. Nil (USD Nil), as no longer required and accordingly moved to assets held for sale.

## 7. Investment in an associate / affiliate

RSL Enterprise Solutions Pty Ltd., South Africa (RSSA) is wholly owned subsidiary of Ramco Systems Limited, India the holding company. RSSA holds 30% (previous year 30%) shares in City Works (Pty) Ltd., South Africa, which is involved in the business of Information Technology Solutions. The Group's interest in immaterial associate, accounted for using the equity method in the consolidated financial statements is as below:

Particulars	Year ended 28.02.2018		Year ended 28.02.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Group's share in:				
Profit after tax	1.41	0.02	1.50	0.02
Other comprehensive income	-	-	-	-
Total comprehensive income (TCI)	1.41	0.02	1.50	0.02

Aggregate value of unquoted equity investments in trade, long term, 600 shares (previous year 600) of face value of ZAR 1 each:

	As at 28.02.2018		As at 28.02.2017	
Opening carrying amount	11.09	0.17	9.59	0.15
Group's share of profit in TCI	1.41	0.02	1.50	0.02
Exchange difference	(0.01)	0.01	-	-
Closing carrying amount	12.49	0.20	11.09	0.17

Aggregate amount of impairment in the value of investment - - - -

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.

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		As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>8.</b>	<b>Financial assets (non-current)</b>				
<b>8.1</b>	<b>Loans unsecured, considered good</b>				
	Loans - others	40.00	0.62	-	-
	Loans are non-derivative financial assets and are carried at amortised cost. Loan-others carry an interest at the rate of 10% p.a. and are repayable in equated monthly instalments at quarterly rests.				
<b>8.2</b>	<b>Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)</b>				
	2,335 Shares in Smart Megh Solutions Pvt. Ltd, India of face value of Rs.10 each (as at 31 March 2017 2,335 Shares @ Rs.10 each)	15.00	0.23	15.00	0.23
	Aggregate value of unquoted investment	15.00	0.23	15.00	0.23
	Aggregate value of impairment in value of investment	-	-	-	-
<b>8.3</b>	<b>Trade receivables</b>				
	<b>Unsecured, considered good</b>				
	Trade receivables - others	63.25	0.98	120.44	1.87
	<b>Unsecured, considered doubtful</b>				
	Trade receivables - others	185.57	2.88	260.25	4.04
		248.82	3.86	380.69	5.91
	Less: Impairment loss	185.57	2.88	261.51	4.06
		63.25	0.98	119.18	1.85
<b>8.4</b>	<b>Other financial assets</b>				
	<b>Unsecured, considered good</b>				
	Unbilled revenue - others	1,035.64	16.06	561.26	8.71
	Security deposit	21.71	0.33	15.08	0.23
	Employee advances	9.75	0.15	0.58	0.01
	<b>Unsecured, considered doubtful</b>				
	Unbilled revenue - others	135.42	2.10	71.33	1.11
		1,202.52	18.64	648.25	10.06
	Less: Impairment loss	139.54	2.16	72.49	1.13
		1,062.98	16.48	575.76	8.93
	<b>Total financial assets (non-current)</b>	<b>1,181.23</b>	<b>18.31</b>	<b>709.94</b>	<b>11.01</b>

9 Taxes

(a) Deferred tax (asset) / liability \*

Rs. Mln.

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Tax impact on difference between book depreciation / amortisation and depreciation under the Income Tax Act, 1961	841.98	855.70	(13.72)	(24.71)
Tax impact on unutilised carry forward losses	(910.92)	(1,115.70)	204.80	18.02
Tax effect of provision for gratuity	(4.87)	(1.16)	(3.72)	(2.39)
Tax effect of provision for compensated absences	(19.31)	(19.76)	0.45	(0.99)
Tax effect of provision for bad and doubtful debts	(47.49)	(66.91)	19.42	(66.91)
Tax Impact on foreign exchange differences	1.20	0.98	0.22	0.98
Tax impact on all other items	(2.90)	4.13	(7.03)	2.98
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)
Tax Impact on remeasurement gains / (losses) on defined benefit obligations (under OCI)	6.09	(1.10)	7.19	(1.10)
Impact of foreign exchange on conversion of overseas entities	(0.03)	(0.08)	0.39	0.90
<b>Deferred tax (asset) / liability (Net)</b>	<b>(136.25)</b>	<b>(477.41)</b>		
<b>Deferred tax (income) / expense (Net)</b>			<b>208.00</b>	<b>(477.41)</b>

\* To the extent considered by the Group. Deferred tax assets have not been considered by the subsidiaries other than Philippines subsidiary, since it was not probable that sufficient future taxable profits will be available to adjust the accumulated losses.

(b) Reconciliation of deferred tax (asset) / liability (including MAT credit)

Particulars	Balance Sheet as at	
	31.03.2018	31.03.2017
<b>Opening balance as at 01 April</b>	<b>(477.41)</b>	5.06
Deferred Tax (income) / expense during the year recognised in Statement of Profit and Loss	200.81	(342.80)
Deferred Tax (income) / expense during the year recognised in OCI	7.19	(1.10)
MAT credit for the year / previous year(s)	(160.71)	(133.51)
Impact of foreign exchange on conversion of overseas entities	(0.36)	(5.06)
<b>Closing balance as at 31 March</b>	<b>(430.48)</b>	<b>(477.41)</b>
<i>In USD Mln.</i>	<i>(6.67)</i>	<i>(7.41)</i>

(c) Components of tax expenses

Particulars	For the year ended	
	31.03.2018	31.03.2017
<b>(i) Statement of profit and loss</b>		
<b>Current tax</b>		
Current Income Tax charge (including MAT)	186.87	67.62
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	200.51	(73.10)
Adjustment (credit taken) for earlier years/forex	0.30	(274.24)
MAT credit recognition of current year	(160.71)	(52.12)
MAT credit recognition of previous year(s)	-	(81.39)
<b>Total tax (income) / expense reported in statement of profit and loss</b>	<b>226.97</b>	<b>(413.23)</b>
<b>(ii) Other comprehensive income (OCI)</b>		
Deferred tax impact on remeasurement gains / (losses) of defined benefit obligations	7.19	(1.10)
<b>Total tax (income) / expense reported in OCI</b>	<b>7.19</b>	<b>(1.10)</b>
<b>(iii) Total tax (income) / expense reported in total comprehensive income</b>	<b>234.16</b>	<b>(414.33)</b>

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- (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	For the year ended	
	31.03.2018	31.03.2017
Accounting profit / (loss) before tax	341.25	(305.97)
Less: Adjustment from carry forward losses	806.71	95.85
Profit / (loss) considered for taxation	(465.46)	(401.82)
Corporate Tax Rate %	34.608%	34.608%
<b>Computed tax expense / (income)</b>	<b>(161.09)</b>	<b>(139.06)</b>
<b>Increase / (reduction) in taxes on account of:</b>		
MAT on accounting profit before tax	180.99	19.67
Tax adjustments of earlier years	(0.94)	3.57
Non-deductible expenses	6.14	40.29
Tax on non-taxable income for Indian tax purposes / impact due to differential tax rates from India	187.56	151.97
Additional allowances / deductions for tax purposes	(25.79)	(8.81)
	<u>186.87</u>	<u>67.62</u>
Deferred tax (income) / expense recognition during the year	200.81	(347.34)
MAT credit recognition of current year	(160.71)	(52.12)
MAT credit recognition of previous year(s)	-	(81.39)
<b>Tax (income) / expense reported in the statement of profit and loss</b>	<b>226.97</b>	<b>(413.23)</b>
<b>Tax (income) / expense reported in the OCI</b>	<b>7.19</b>	<b>(1.10)</b>
<i>In USD Mln.</i>	<i>P&amp;L</i>	<i>OCI</i>
	<b>3.54</b>	<b>(6.19)</b>
	<b>0.11</b>	<b>(0.02)</b>

Notes:

- During the previous 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.
- During the previous 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 31.03.2018		As at 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>10. Other non-current assets</b>				
<b>Unsecured, considered good</b>				
Prepaid expenses	1.88	0.03	1.56	0.02
Advance to suppliers and service providers	-	-	1.13	0.02
	<u>1.88</u>	<u>0.03</u>	<u>2.69</u>	<u>0.04</u>
<b>11. Inventories</b>				
Stock-in-trade (represents hardware and software materials held for resale)	-	-	0.16	-
<b>12. Financial assets (current)</b>				
<b>12.1 Loans unsecured, considered good</b>				
Loans - others	11.39	0.18	-	-
Loans are non-derivative financial assets and are carried at amortised cost. Loans - others carry an interest at the rate of 10% p.a. and are repayable in equated monthly instalments at quarterly rests.				



		As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>12.2</b>	<b>Trade receivables</b>				
	<b>Unsecured, considered good</b>				
	Trade receivables - associate	23.00	0.36	24.07	0.37
	Trade receivables - other related parties	0.18	-	1.73	0.03
	Trade receivables - others	1,170.00	18.15	1,126.90	17.48
		<u>1,193.18</u>	<u>18.51</u>	<u>1,152.70</u>	<u>17.88</u>
	Less: Impairment loss	11.96	0.19	10.85	0.16
		<u>1,181.22</u>	<u>18.32</u>	<u>1,141.85</u>	<u>17.72</u>
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.30.					
<b>12.3</b>	<b>Cash and cash equivalents</b>				
	Cash on hand	0.18	-	0.28	0.01
	Balances with Banks in current / savings / business accounts	138.64	2.15	80.66	1.25
		<u>138.82</u>	<u>2.15</u>	<u>80.94</u>	<u>1.26</u>
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.					
<b>12.4</b>	<b>Other financial assets</b>				
	<b>Unsecured, considered good</b>				
	Unbilled revenue - others	1,492.56	23.15	1,284.99	19.94
	Unbilled revenue - other related parties	48.68	0.75	-	-
	Security deposit	9.46	0.14	8.44	0.13
	Employee advances	30.99	0.48	67.45	1.05
	Government grant receivable	33.65	0.52	25.96	0.40
	Bank deposits held as margin money	4.62	0.07	3.48	0.05
	Balance with Banks in Share issue accounts	1.24	0.02	0.07	-
		<u>1,621.20</u>	<u>25.13</u>	<u>1,390.39</u>	<u>21.57</u>
	Less: Impairment loss	17.66	0.27	10.31	0.16
		<u>1,603.54</u>	<u>24.86</u>	<u>1,380.08</u>	<u>21.41</u>
	<b>Total financial assets (current)</b>	<u>2,934.97</u>	<u>45.51</u>	<u>2,602.87</u>	<u>40.39</u>
<b>13.</b>	<b>Other current assets</b>				
	<b>Unsecured, considered good</b>				
	Prepaid expenses *	67.47	1.05	25.58	0.40
	Advance to suppliers and service providers	26.09	0.40	9.58	0.15
	Statutory advances	50.98	0.79	55.42	0.86
		<u>144.54</u>	<u>2.24</u>	<u>90.58</u>	<u>1.41</u>

\* Includes prepayment to Gratuity fund for the year Rs. 7.62 Mln. (USD 0.12 Mln.) by the Company.

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	As at 31.03.2018		As at 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>14. Equity share capital</b>				
<b>Authorised share capital</b>				
50,000,000 (as at 31 March 2017				
50,000,000) Equity Shares of Rs. 10 each	<u>500.00</u>		<u>500.00</u>	
<b>Issued and subscribed capital</b>				
30,888,361 (as at 31 March 2017				
30,754,517) Equity Shares of Rs.10 each	<u>308.88</u>	<u>6.09</u>	<u>307.55</u>	<u>6.09</u>
<b>Paid-up capital</b>				
30,539,183 (as at 31 March 2017				
30,405,339) Equity Shares of Rs.10 each				
(includes value of forfeited shares of	<u>305.75</u>	<u>6.04</u>	<u>304.41</u>	<u>6.02</u>
Rs.353,890 (previous year Rs.353,890) for				
349,178 shares)	<u>305.75</u>	<u>6.04</u>	<u>304.41</u>	<u>6.02</u>
<b>14.1 The reconciliation of share capital for the year:</b>				
	2017-18		2016-17	
At the beginning of the year	304.41	6.02	300.26	5.96
Addition during the year	<u>1.34</u>	<u>0.02</u>	<u>4.15</u>	<u>0.06</u>
At the end of the year	<u>305.75</u>	<u>6.04</u>	<u>304.41</u>	<u>6.02</u>
<b>Movement in number of shares during:</b>	2017-18		2016-17	
At the beginning of the year	30,405,339		29,990,736	
Addition during the year under employee				
stock option schemes	<u>133,844</u>		<u>414,603</u>	
At the end of the year	<u>30,539,183</u>		<u>30,405,339</u>	
<b>14.2 Terms / rights attached to class of shares</b>				
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 31.03.2018		As at 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>15. Other equity</b>				
Securities Premium	6,557.38	119.25	6,497.52	118.32
Currency translation reserve	(27.44)	(2.08)	(3.22)	(1.64)
Employee stock options outstanding	279.30	4.43	308.19	4.88
Retained earnings	(1,578.44)	(41.80)	(1,704.67)	(43.77)
Share application money pending allotment	1.16	0.02	-	-
<b>Total equity attributable to the equity holders of the Company</b>	<u>5,231.96</u>	<u>79.82</u>	<u>5,097.82</u>	<u>77.79</u>
Non-controlling interests	<u>7.99</u>	<u>0.13</u>	<u>5.15</u>	<u>0.08</u>
<b>Total other equity</b>	<u>5,239.95</u>	<u>79.95</u>	<u>5,102.97</u>	<u>77.87</u>
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

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under various employees stock option schemes of the Company.

### Retained earnings

Represents the portion of the net income / (loss) of the Group.

		As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
16.	Financial liabilities (non-current)				
16.1	Other financial liabilities				
	Trade payables, unsecured	31.45	0.48	5.73	0.09
	Total financial liabilities (non-current)	31.45	0.48	5.73	0.09
17.	Provisions (non-current)				
	Provision for gratuity (refer note no.26.1)	24.54	0.38	26.36	0.41
	Provision for leave encashment and other retirals	117.77	1.83	110.20	1.71
		142.31	2.21	136.56	2.12
17.1	The Group 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.				
18.	Other non-current liabilities				
	Unearned revenue	9.70	0.15	13.94	0.22
19	Financial liabilities (current)				
19.1	Borrowings	Maturity date	As at 31.03.2018	As at 31.03.2017	
			Rs. Mln.	USD. Mln.	Rs. Mln.
	Loans repayable on demand from Banks, secured				
	Axis Bank Ltd. - Cash credit	On Demand	33.44	0.52	50.00
	Mashreq Bank PSC - Overdraft	On Demand	13.58	0.21	-
	Loans from Bank, secured				
	IDBI Bank Ltd. - WCDL	11-Apr-2018	55.00	0.85	-

# Ramco Systems Limited, Consolidated Financials

19.1	Borrowings (Continued ...)	Maturity date	As at 31.03.2018		As at 31.03.2017	
			Rs. Mln.	USD. Mln.	Rs. Mln.	USD. Mln.
	Loans from Bank, unsecured					
	Kotak Mahindra Bank Limited - WCDL - 1	09-Apr-2018	22.00	0.34	-	-
	Kotak Mahindra Bank Limited - WCDL - 2	24-Apr-2018	75.00	1.16	-	-
	Kotak Mahindra Bank Limited - WCDL - 3	26-Apr-2018	36.00	0.56	-	-
	Kotak Mahindra Bank Limited - WCDL - 4	11-Apr-2018	55.00	0.85	-	-
	Kotak Mahindra Bank Limited - WCDL - 5	12-Apr-2018	80.00	1.24	-	-
	Kotak Mahindra Bank Limited - WCDL - 6	17-Apr-2018	10.00	0.16	-	-
			380.02	5.89	50.00	0.78

## As at 31 March 2018 - 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 unencumbered fixed assets (Property, plant and equipment excluding building) of the Company.

Mashreq Bank PSC - Overdraft - This loan is secured by Standby Letter of Credit ( SBLC ) issued by Axis Bank Ltd., from the secured working capital limits of the Company as mentioned in (a) above.

IDBI Bank Ltd. - WCDL - This loan is secured by pari passu first charge on the receivables, both present and future, of the Company.

Kotak Mahindra Bank Limited - WCDL - This loan is unsecured.

Short Term Borrowings carry interest ranging from 3.50% p.a. to 9.85% p.a.

## 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 unencumbered fixed assets (Property, plant and equipment excluding building) of the Company.

Short Term Borrowings carry an interest @ 11.25% p.a.

## 19.2 Trade payables

Trade payables - other related parties	5.92	0.09	-	-
Trade payables - others	453.26	7.03	490.19	7.61
	<u>459.18</u>	<u>7.12</u>	<u>490.19</u>	<u>7.61</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60 days.

## 19.3 Other financial liabilities

Capital creditors	10.15	0.16	8.78	0.14
Rental advances	0.40	0.01	0.22	-
Employee welfare payables	4.83	0.07	10.03	0.16
	<u>15.38</u>	<u>0.24</u>	<u>19.03</u>	<u>0.30</u>
<b>Total financial liabilities (current)</b>	<u>854.58</u>	<u>13.25</u>	<u>559.22</u>	<u>8.69</u>

		As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD. Mln.	Rs. Mln.	USD. Mln.
19.4	Net debts reconciliation for the year				
Effective April 1, 2017, the Company adopted the amendments to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. Accordingly the following statement is produced for:					
	Particulars	Current borrowings			
	Opening debt	50.00	0.78		
	Cash flows	330.02	5.11		
	Interest expense	13.09	0.20		
	Interest paid	(13.09)	(0.20)		
	Closing debt	380.02	5.89		
20.	Provisions (current)				
	Provision for gratuity (refer note no.26.1)	2.68	0.04	3.35	0.05
	Provision for leave encashment and other retirals (refer note no.17.1)	8.22	0.13	3.48	0.05
		10.90	0.17	6.83	0.10
21.	Other current liabilities				
	Unearned revenue	648.30	10.05	408.67	6.34
	Statutory dues payable	88.49	1.37	77.03	1.19
	Expenses payable	150.49	2.34	135.36	2.10
	Advance from customers	11.02	0.17	6.92	0.11
		898.30	13.93	627.98	9.74
Advance from customers are received in the normal course of business and adjusted against subsequent supplies / services.					
		Year ended 31.03.2018		Year ended 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
22.	Revenue from operations				
	Software revenue (License & Services)	4,685.30	73.04	4,430.23	66.32
	Value added resale software and hardware materials	6.89	0.11	61.54	0.92
		4,692.19	73.15	4,491.77	67.24
23.	Finance income				
	Interest income - others	50.26	0.78	55.75	0.83

## Ramco Systems Limited, Consolidated Financials

	Year ended 31.03.2018		Year ended 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>24. Other income</b>				
Government grant	44.36	0.69	41.83	0.63
Profit on sale of property, plant and equipments	0.26	-	0.01	-
Other income	2.32	0.04	3.85	0.06
	<u>46.94</u>	<u>0.73</u>	<u>45.69</u>	<u>0.69</u>
<p>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 &amp; Analytics Research Centre, by way of reimbursement of a portion of employee benefits expense and cost of licensing / technology acquisitions for the project.</p> <p>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.</p>				
<b>25. Changes in inventories of finished goods, stock-in-process and stock-in-trade</b>				
Opening stock	0.16	-	2.22	0.03
Closing stock	-	-	0.16	-
	<u>0.16</u>	<u>-</u>	<u>2.06</u>	<u>0.03</u>
<b>26. Employee benefits expense</b>				
Salaries, wages and bonus	1,802.90	28.11	1,762.17	26.38
Share based payment *	14.39	0.22	105.90	1.59
Provident fund and other contributions	68.62	1.07	67.11	1.00
Gratuity and other retrials	60.14	0.94	58.25	0.87
Staff welfare	72.05	1.12	66.90	1.00
	<u>2,018.10</u>	<u>31.46</u>	<u>2,060.33</u>	<u>30.84</u>
* Includes costs incurred for KMP's amounting to Rs.1.36 Mln. USD 0.02 Mln. (previous year Rs.6.95 Mln. USD 0.10 Mln.).				
<b>26.1</b>	The defined benefit plan (Gratuity) details in respect of the Company is provided for in the standalone financials note no.25.1. 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.			
<b>27. Finance Costs</b>				
Interest on loans	11.76	0.18	10.08	0.15
Other finance cost	1.33	0.02	3.27	0.05
	<u>13.09</u>	<u>0.20</u>	<u>13.35</u>	<u>0.20</u>
<b>28. Depreciation and amortization expense</b>				
Depreciation on property, plant and equipment	64.88	1.01	59.48	0.89
Amortization of intangible assets	436.10	6.80	418.12	6.26
	<u>500.98</u>	<u>7.81</u>	<u>477.60</u>	<u>7.15</u>

	Year ended 31.03.2018		Year ended 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>29. Other expenses</b>				
Advertisement and sales promotion	177.77	2.77	199.68	2.99
Bank charges	10.73	0.17	12.99	0.19
Bad debts / provision for bad debts, net	224.69	3.50	452.57	6.78
Consultancy charges	98.15	1.53	89.02	1.33
Corporate social responsibility expenditure	4.14	0.06	0.90	0.01
Foreign exchange fluctuation, net	(18.60)	(0.29)	112.50	1.68
Insurance	15.83	0.25	14.58	0.22
Loss on sale of property, plant and equipment	2.71	0.04	1.19	0.02
Office maintenance	31.81	0.50	30.19	0.45
Outsourcing costs	290.20	4.53	329.85	4.94
Power & fuel	32.28	0.50	30.45	0.46
Printing & stationery	5.30	0.08	4.50	0.07
Postage, telephone and communication	89.25	1.39	86.69	1.30
Rent	364.69	5.69	318.13	4.76
Repairs - building	5.01	0.08	20.96	0.31
Repairs - plant and machinery	24.96	0.39	30.96	0.46
Repairs - others	24.40	0.38	23.21	0.35
Rates and taxes	60.42	0.94	54.52	0.82
Sales commission and other selling expenses	93.81	1.46	115.70	1.73
Software subscription and maintenance	1.66	0.03	1.76	0.03
Travelling and conveyance	348.74	5.44	360.01	5.39
Unfructified patent expenses	0.19	-	0.38	0.01
Miscellaneous expenses	20.12	0.31	19.52	0.29
	<u>1,908.26</u>	<u>29.75</u>	<u>2,310.26</u>	<u>34.59</u>

**29.1 Movement in provision for bad & doubtful debts**

Particulars	As at 31.03.2018		As at 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Balance at the beginning</b>	355.17	5.51	169.63	2.57
Provisions for the year (net)	224.69	3.50	452.57	6.78
Translation differences	11.39	0.18	(8.78)	0.03
Provision utilised for write off	(236.52)	(3.69)	(258.25)	(3.87)
<b>Balance at the end</b>	<u>354.73</u>	<u>5.50</u>	<u>355.17</u>	<u>5.51</u>

**Expenses recognised in statement of profit and loss**

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Provisions for the year (net)	224.69	3.50	452.57	6.78
Provision utilised for write off, reversed to P&L	(236.52)	(3.69)	(258.25)	(3.87)
Amounts written off	236.52	3.69	258.25	3.87
Bad debts / provision for bad debts, net	<u>224.69</u>	<u>3.50</u>	<u>452.57</u>	<u>6.78</u>



# Ramco Systems Limited, Consolidated Financials

## 30. 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 up to 11<sup>th</sup> May 2017
2. P R Venketrama Raja, Vice Chairman & Managing Director up to 3<sup>rd</sup> June 2017, Chairman from 4<sup>th</sup> June 2017
3. P V Abinav Ramasubramaniam Raja , Whole Time Director w.e.f. 4<sup>th</sup> June 2017
4. Virender Aggarwal, Chief Executive Officer
5. R Ravi Kula Chandran, Chief Financial Officer
6. G Karthikeyan, Company Secretary up to 5<sup>th</sup> December 2016
7. P R Karthic, Company Secretary w.e.f. 3<sup>rd</sup> July 2017
8. M M Venkatachalam, Independent Director
9. V Jagadisan, Independent Director up to 16<sup>th</sup> March 2018
10. A V Dharmakrishnan, Non-Executive, Non-Independent Director
11. R S Agarwal, Independent Director
12. 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. Employee benefit funds where control exists

1. Ramco Systems Limited employees group gratuity scheme
2. Ramco Systems Limited employees superannuation scheme

### d. Enterprises over which the above persons exercise significant influence

- |  |  |
|--|--|
| 1. Rajapalayam Mills Limited                                 | 14. Sudarsanam Estate  |
| 2. The Ramco Cements Limited                                 | 15. Shri Abhinava Vidya Theertha Seva Trust                    |
| 3. Ramco Industries Limited                                  | 16. Smt. Lingammal Ramaraju Shastra Prathista Trust            |
| 4. The Ramaraju Surgical Cotton Mills Limited                | 17. The Ramco Cements Limited Educational and Charitable Trust |
| 5. Sri Vishnu Shankar Mills Limited                          | 18. Gowrihouse Metal Works                                     |
| 6. Sandhya Spinning Mill Limited                             | 19. JKR Enterprises Limited                                    |
| 7. Thanjavur Spinning Mill Limited                           | 20. Gowrishankar Screws  |
| 8. Rajapalayam Spintex (A division of Rajapalayam Mills Ltd) | 21. P A C R Sethurammam Charity Trust                          |
| 9. Sri Harini Textiles Limited                               | 22. P A C R Sethurammam Charities                              |
| 10. Swarna Boomi Estate                                      | 23. Rajapalayam Spinners Limited                               |
| 11. Thanga Vilas Estate                                      | 24. Ontime Industrial Services Limited                         |
| 12. Rajapalayam Textile Limited                              | 25. Madurai Trans Carrier Limited                              |
| 13. Shri Harini Media Limited                                | 26. Ramco Welfare Trust  |
|  | 27. Lynks Logistics Limited                                    |
|  | 28. Ramco Management Private Limited                           |

**e. 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 System Australia Pty Ltd., Australia
10. Ramco System Inc., Philippines
11. Ramco Systems (Shanghai) Co. Ltd., China
12. Ramco System Vietnam Company Limited, Vietnam
13. PT Ramco Systems Indonesia, Indonesia

**f. Associate**

1. City Works Pty. Ltd., South Africa

The Group's transactions with the above related parties are given below:

Particulars	Transaction during the year 2017-18		Outstanding as at 31.03.2018		Transaction during the year 2016-17		Outstanding as at 31.03.2017	
	Rs.Mln.	USD. Mln.	Rs.Mln.	USD. Mln.	Rs.Mln.	USD. Mln.	Rs.Mln.	USD. Mln.
<b>Income from Sale of goods &amp; services</b>								
The Ramco Cements Limited (f)	205.01	3.20	-	-	210.91	3.16	0.16	-
Ramco Industries Limited	29.25	0.46	-	-	62.55	0.94	-	-
Rajapalayam Mills Limited	2.22	0.03	0.04	-	2.33	0.03	0.20	-
Rajapalayam Textile Limited	0.61	0.01	0.03	-	0.30	-	-	-
Sri Vishnu Shankar Mills Ltd	1.13	0.02	0.09	-	1.14	0.02	-	-
Sandhya Spinning Mill Ltd	1.06	0.02	-	-	1.00	0.01	-	-
Thanjavur Spinning Mill Limited	0.21	-	-	-	0.29	-	0.07	-
Sri Harini Textiles Limited	0.14	-	-	-	0.17	-	-	-
The Ramaraju Surgical Cotton Mills Limited	1.51	0.02	-	-	1.39	0.02	0.02	-
Sudarsanam Estate	0.10	-	-	-	0.22	-	0.19	-
Swrna Boomi Estate	0.07	-	-	-	0.14	-	-	-
Thanga Vilas Estate	0.07	-	-	-	0.15	-	-	-
Ramco Welfare Trust	0.07	-	-	-	0.06	-	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.07	-	0.01	-	0.06	-	0.01	-
The Ramco Cements Limited Educational and Charitable Trust	0.29	-	-	-	0.26	-	0.07	-
Gowrihouse Metal Works	0.09	-	-	-	0.18	-	-	-
Gowrishankar Screws	0.22	-	-	-	0.22	-	-	-
P A C R Sethurammam Charity Trust	0.36	0.01	-	-	0.06	-	0.07	-
P A C R Sethurammam Charities	0.07	-	0.02	-	0.32	-	-	-
JKR Enterprises Limited	0.07	-	-	-	0.14	-	-	-
Ontime Industrial Services Limited	-	-	-	-	11.50	0.17	-	-
Madurai Trans Carrier Limited	1.34	0.02	-	-	0.95	0.01	0.95	0.01
City Works Pty. Ltd., South Africa	135.42	2.11	23.00	0.36	193.62	2.90	24.07	0.37
<b>Cost of services availed</b>								
Ontime Industrial Services Limited	6.47	0.10	5.92	0.09	-	-	-	-
<b>Rent - Expense</b>								
The Ramco Cements Limited	83.16	1.30	-	-	81.50	1.22	-	-
Rajapalayam Mills	0.08	-	-	-	0.07	-	-	-

# Ramco Systems Limited, Consolidated Financials

Particulars	Transaction during the year 2017-18		Outstanding as at 31.03.2018		Transaction during the year 2016-17		Outstanding as at 31.03.2017	
	Rs.Mln.	USD. Mln.	Rs.Mln.	USD. Mln.	Rs.Mln.	USD. Mln.	Rs.Mln.	USD. Mln.
<b>Sitting fees</b>								
P R Ramasubramaneya Rajha	-	-	-	-	0.06	-	-	-
P R Venketrama Raja	0.08	-	-	-	-	-	-	-
P V Abinav Ramasubramaniam Raja	0.06	-	-	-	-	-	-	-
M M Venkatachalam	0.14	-	-	-	0.14	-	-	-
V Jagadisan	0.17	-	-	-	0.14	-	-	-
A V Dharmakrishnan	0.15	-	-	-	0.14	-	-	-
R S Agarwal	0.09	-	-	-	0.08	-	-	-
Soundara Kumar	0.14	-	-	-	0.08	-	-	-
<b>CSR Contribution</b>								
Shri Abhinava Vidya Theertha Seva Trust	4.14	0.06	-	-	0.90	0.01	-	-
<b>Fees for professional services</b>								
V Jagadisan	-	-	-	-	0.15	-	-	-
<b>Remuneration</b>								
P R Venketrama Raja	0.20	-	-	-	1.17	0.02	-	-
P V Abinav Ramasubramaniam Raja	1.08	0.02	-	-	-	-	-	-
Virender Aggarwal	67.51	1.05	-	-	98.25	1.47	-	-
R Ravi Kula Chandran	8.84	0.14	-	-	9.49	0.14	-	-
G Karthikeyan	-	-	-	-	0.86	0.01	-	-
Karthic P R	0.57	0.01	-	-	-	-	-	-
<b>Application money received for exercise of stock options</b>								
Virender Aggarwal	-	-	-	-	8.28	0.12	-	-
R Ravi Kula Chandran	1.84	0.03	-	-	2.39	0.04	-	-
A V Dharmakrishnan	5.70	0.09	-	-	10.64	0.17	-	-
<b>Contributions made</b>								
Ramco Systems Limited employees group gratuity scheme	9.03	0.14	-	-	12.11	0.18	-	-
Ramco Systems Limited employees superannuation scheme	12.37	0.19	-	-	12.49	0.19	-	-

## Notes:

- Details of corporate guarantees given by the Parent are given in note no.33.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- 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.
- 2,500 options granted during the previous year under the employees stock option scheme to G Karthikeyan.
- Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	2017-18		2016-17	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Short – Term Benefits *	83.97	1.31	139.79	2.09
Defined Contribution Plan **	1.59	0.02	2.10	0.03
Defined Benefit Plan / Other Long-term benefits ***	-	-	-	-
<b>Total</b>	<b>85.56</b>	<b>1.33</b>	<b>141.89</b>	<b>2.12</b>

\* It includes bonus, sitting fees, and value of perquisites.

\*\* It includes contribution to Provident fund, Superannuation, NPS and accrual of Gratuity.

\*\*\* Based on actual payment if any.

- Unbilled outstanding balance as at 31 March 2018 Rs. 48.68 Mln. (USD 0.75 Mln.). Previous year Nil.

31. 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 the short term maturities of these instruments.

### 32. 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 31.03.2018		As at 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings	380.02	5.89	50.00	0.78
Less: Cash and cash equivalents	138.82	2.15	80.94	1.26
<b>Net Debt (A)</b>	<b>241.20</b>	<b>3.74</b>	<b>(30.94)</b>	<b>(0.48)</b>
Equity Share Capital	305.75	6.04	304.41	6.02
Other Equity	5,231.96	79.82	5,097.82	77.79
<b>Total Equity (B)</b>	<b>5,537.71</b>	<b>85.86</b>	<b>5,402.23</b>	<b>83.81</b>
<b>Debt / Equity (A/B)</b>	<b>4.36%</b>		<b>(0.57)%</b>	

In order to achieve the 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 / borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

### 33. Contingent liabilities and commitments

		As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Contingent liabilities</b>					
a)	<b>Bank Guarantees</b>				
	i) Issued by the Bankers to the Company (as at 31 March 2018 including Rs. 57.02 Mln. and as at 31 March 2017 including Rs.57.66 Mln. in favour of a banker to the Dubai subsidiary, Ramco Systems FZ-LLC; at 31st March 2018 including Rs. 20.72 Mln. and as at 31 March 2017 Nil. in favour of banker to the Philippines Subsidiary, Ramco System Inc; and as at 31 March 2018 Rs. 3.03 Mln and as at 31 March 2017 Nil in favor of overseas bank on behalf of Dubai branch.)	108.82	1.69	97.58	1.51
b)	<b>Corporate Guarantee issued in favour of customer(s) of</b>				
	i) the Malaysian subsidiary, Ramco Systems Sdn. Bhd.	32.25	0.50	32.23	0.50
	ii) the Australian subsidiary, Ramco Systems Australia Pty Ltd.	123.75	1.92	122.45	1.90

# Ramco Systems Limited, Consolidated Financials

		As at 31.03.2018		As at 31.03.2017	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
c)	<b>Claims against the Company not acknowledged as debts</b>				
i)	Disputed Tamil Nadu VAT demand				
	1. Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	75.86	1.18	75.86	1.18
	2. Relating to 2014-15 to 2016-17 in respect of which no demand notice has been received	26.73	0.41	24.87	0.39
ii)	Disputed Service tax demand – pending before the first appellate authority – Years 2009-10 to 2014-15	-	-	4.58	0.07
iii)	Disputed Sales tax demand – pending before the first appellate authority, Mumbai – Year 2012-13	0.09	-	-	-
iv)	Disputed Service tax demand – pending before the first appellate authority – Years 2014-15 to 2017-18	1.21	0.02	-	-
v)	Income Tax – pending before the assessing authority AY:2010-11	0.004	-	-	-
vi)	Income Tax – pending before the assessing authority AY:2018-19	0.14	-	-	-
vii)	Other litigations	29.03	0.45	17.53	0.27
viii)	Disputed VAT demand – pending before the first appellate authority in Sudan	0.10	-	0.27	-
<b>Commitments</b>					
	Estimated amount of contracts remaining to be executed on capital account and not provided for	16.84	0.26	7.03	0.11

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.

Ramco Systems FZLLC, Dubai and Ramco Systems Inc., Philippines have assumed obligations in terms of Bank Guarantees issued by their banks to their customers. However, the said bank guarantees are basis the counter guarantee issued by the banker of Ramco Systems Limited India and hence no separate disclosures for these subsidiaries are made.

## 34. 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 oversees 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.

Interest rate risk exposure on the average borrowing for the year:

Particulars	2017-18		2016-17	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fixed rate borrowing	304.06	4.71	112.40	1.74
Variable rate borrowing	12.20	0.19	16.37	0.25

1% change in interest rate on variable rate borrowing would impact the interest cost for 2017-18 by Rs.0.12 Mln., USD Nil (2016-17 by Rs.0.17 Mln. USD Nil).

## 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, unbilled revenues, trade payables and bank balances.

The Group's exposure to foreign currency risk with respect to material currencies (un-hedged) as detailed below:

Currency	Trade receivables	Unbilled revenues	Trade payables	Bank balances	Total
<b>USD in Million *</b>					
<b>As at 31.03.2018</b>	<b>11.81</b>	<b>11.69</b>	<b>(0.18)</b>	<b>0.41</b>	<b>23.73</b>
As at 31.03.2017	12.80	7.94	(0.34)	0.26	20.66
<b>EUR in Million</b>					
<b>As at 31.03.2018</b>	<b>0.11</b>	<b>0.50</b>	<b>-</b>	<b>0.04</b>	<b>0.65</b>
As at 31.03.2017	0.08	0.40	(0.14)	0.05	0.39
<b>GBP in Million</b>					
<b>As at 31.03.2018</b>	<b>0.13</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.38</b>
As at 31.03.2017	0.16	0.44	-	0.05	0.65

\* This includes an amount of USD 14.72 Mln. (Previous year USD 14.96 Mln.) held in Dubai, where the exchange risk to USD is limited.

Sensitivity analysis between Indian Rupee and the foreign currencies specified above for an increase of / decrease by Re.1.

Foreign currency	31.03.2018				31.03.2017			
	Rs. Mln.		USD Mln.		Rs. Mln.		USD Mln.	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
USD	23.73	(23.73)	0.37	(0.37)	20.66	(20.66)	0.32	(0.32)
GBP	0.38	(0.38)	0.01	(0.01)	0.65	(0.65)	0.01	(0.01)
EUR	0.65	(0.65)	0.01	(0.01)	0.39	(0.39)	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.

# Ramco Systems Limited, Consolidated Financials

## 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. were 3 customers and 24 % as at 31 March 2018 (5 customers and 32 % as at 31 March 2017).

Trade receivables are written off / provided for, when there is no reasonable expectation of realisation, 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. Apart from this, the Group maintains a provision based on Expected Credit Loss for trade receivables at the rate of 3% on total outstanding of the company and at the rate of 1% on total outstanding in the case of subsidiaries.

## B.2 Unbilled revenues

Unbilled revenues of the Group are also exposed to risk in the event of the inability to bill the customer. Unbilled revenues are written off / provided for, when there is no reasonable expectation of billing. Apart from this, the Group maintains a provision based on Expected Credit Loss at the rate of 3% on total outstanding of the company and at the rate of 1% on total outstanding in the case of subsidiaries.

## B.3 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Group is presently exposed to counter party risk relating to deposits with banks 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	As at 31.03.2018		As at 31.03.2017	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Expiring within one year</b>				
Bank cash credit / overdraft / packing credit / WCDL	637.20	9.88	587.20	9.11
<b>Expiring beyond one year</b>				
	Nil			

### Maturities of financial liabilities

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>As at 31.03.2018</b>						
Borrowings	380.02	5.89	-	-	380.02	5.89
Trade and other payables	474.56	7.36	31.45	0.48	506.01	7.84
<b>Total</b>	<b>854.58</b>	<b>13.25</b>	<b>31.45</b>	<b>0.48</b>	<b>886.03</b>	<b>13.73</b>
<b>As at 31.03.2017</b>						
Borrowings	50.00	0.78	-	-	50.00	0.78
Trade and other payables	509.22	7.91	5.73	0.09	514.95	8.00
<b>Total</b>	<b>559.22</b>	<b>8.69</b>	<b>5.73</b>	<b>0.09</b>	<b>564.95</b>	<b>8.78</b>



35. The company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.

**36. 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 a % to consolidated net assets	Rs. Mln.	As a % to consolidated profit and loss	Rs. Mln.	As a % to consolidated other comprehensive income	Rs. Mln.	As a % to total comprehensive income	Rs. Mln.
<b>Parent, Indian:</b>									
	<b>Ramco Systems Limited</b>								
	Balance as at 31 March 2018	136.13%	7,549.33	583.41%	658.36	(57.67%)	6.25	651.53%	664.61
	Balance as at 31 March 2017	126.70%	6,851.24	475.14%	506.78	(304.90%)	16.94	518.00%	523.72
<b>Subsidiaries, Foreign:</b>									
1	<b>Ramco Systems Corporation, USA</b>								
	Balance as at 31 March 2018	5.91%	327.90	98.50%	111.16	(3.08%)	0.33	109.30%	111.49
	Balance as at 31 March 2017	4.00%	216.41	79.31%	84.60	110.24%	(6.12)	77.61%	78.47
2	<b>Ramco Systems Limited, Switzerland</b>								
	Balance as at 31 March 2018	2.84%	157.65	10.54%	11.90	(78.59%)	8.52	20.01%	20.42
	Balance as at 31 March 2017	2.54%	137.24	13.56%	14.46	146.03%	(8.11)	6.28%	6.35
3	<b>Ramco Systems Pte. Limited, Singapore</b>								
	Balance as at 31 March 2018	(0.29%)	(16.02)	(312.07%)	(352.16)	287.94%	(31.21)	(357.82%)	(383.36)
	Balance as at 31 March 2017	(4.41%)	(238.60)	(357.09%)	(380.88)	(448.36%)	24.91	(352.08%)	(355.97)
4	<b>Ramco Systems Sdn. Bhd., Malaysia</b>								
	Balance as at 31 March 2018	0.70%	38.67	(60.16%)	(67.89)	(100.16%)	10.86	(55.91%)	(57.03)
	Balance as at 31 March 2017	1.77%	95.70	(19.99%)	(21.32)	301.20%	(16.73)	(37.64%)	(38.05)
5	<b>RSL Enterprise Solutions (Pty) Limited, South Africa</b>								
	Balance as at 31 March 2018	0.86%	47.48	(46.39%)	(52.34)	0.13%	(0.01)	(51.33%)	(52.36)
	Balance as at 31 March 2017	0.02%	0.82	16.67%	17.78	(7.64%)	0.42	18.01%	18.20
6	<b>Ramco Systems Canada Inc., Canada</b>								
	Balance as at 31 March 2018	0.26%	14.68	4.25%	4.79	(3.10%)	0.34	5.03%	5.13
	Balance as at 31 March 2017	0.18%	9.55	1.49%	1.59	13.56%	(0.75)	0.83%	0.84
7	<b>Ramco Systems FZ-LLC, Dubai</b>								
	Balance as at 31 March 2018	7.28%	403.48	59.38%	67.01	(11.41%)	1.24	66.90%	68.25
	Balance as at 31 March 2017	6.20%	335.23	60.76%	64.81	210.95%	(11.72)	52.51%	53.09
8	<b>RSL Software Company Ltd, Sudan</b>								
	Balance as at 31 March 2018	(0.13%)	(7.04)	(11.54%)	(13.02)	(101.51%)	11.00	(1.98%)	(2.02)
	Balance as at 31 March 2017	(0.09%)	(5.02)	(1.49%)	(1.59)	(23.65%)	1.31	(0.27%)	(0.28)
9	<b>Ramco Systems Australia Pty Ltd, Australia</b>								
	Balance as at 31 March 2018	(1.79%)	(99.02)	(268.17%)	(302.62)	108.43%	(11.75)	(308.18%)	(314.37)
	Balance as at 31 March 2017	(4.78%)	(258.33)	(197.34%)	(210.48)	(85.00%)	4.72	(203.52%)	(205.76)
10	<b>Ramco System Inc., Phillipines</b>								
	Balance as at 31 March 2018	1.67%	92.83	52.83%	59.62	49.14%	(5.33)	53.22%	54.29
	Balance as at 31 March 2017	0.71%	38.54	29.55%	31.52	187.58%	(10.42)	20.87%	21.10

# 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 a % to consolidated net assets	Rs. Mln.	As a % to consolidated profit and loss	Rs. Mln.	As a % to consolidated other comprehensive income	Rs. Mln.	As a % to total comprehensive income	Rs. Mln.
11	<b>Ramco Systems (Shanghai) Co. Limited, Shanghai</b>								
	Balance as at 31 March 2018	0.09%	4.76	(4.61%)	(5.21)	4.13%	(0.45)	(5.54%)	(5.65)
	Balance as at 31 March 2017	NA	NA	NA	NA	NA	NA	NA	NA
12	<b>Ramco System Vietnam Company Limited, Vietnam</b>								
	Balance as at 31 March 2018	0.25%	14.03	(1.96%)	(2.22)	1.71%	(0.18)	(2.35%)	(2.40)
	Balance as at 31 March 2017	NA	NA	NA	NA	NA	NA	NA	NA
13	<b>PT. Ramco Systems Indonesia, Indonesia</b>								
	Balance as at 31 March 2018	0.23%	12.74	(2.75%)	(3.10)	4.05%	(0.44)	(3.47%)	(3.54)
	Balance as at 31 March 2017	NA	NA	NA	NA	NA	NA	NA	NA
<b>Non-controlling interests</b>									
	Balance as at 31 March 2018	(0.14%)	(7.99)	(2.51%)	(2.84)	-	-	(2.78%)	(2.84)
	Balance as at 31 March 2017	(0.10%)	(5.15)	(1.98%)	(2.11)	-	-	(2.08%)	(2.11)
<b>Associate, Foreign</b>									
	<b>Cityworks (Pty) Ltd., South Africa</b>								
	Balance as at 31 March 2018	0.23%	12.49	1.25%	1.41	-	-	1.38%	1.41
	Balance as at 31 March 2017	0.20%	11.08	1.40%	1.50	-	-	1.48%	1.50
<b>Effect of inter company elimination / adjustments</b>									
	As at 31 March 2018	(54.10%)	(3,000.26)	-	-	-	-	-	-
	As at 31 March 2017	(32.94%)	(1,781.33)	-	-	-	-	-	-
<b>Total</b>	Balance as at 31 March 2018	100%	5,545.70	100%	112.85	100%	(10.84)	100%	102.01
	Balance as at 31 March 2017	100%	5,407.38	100%	106.65	100%	(5.55)	100%	101.10

37. Figures for the previous year(s) have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.

38. The figures in Rupees and USD have been rounded off to the million in current and previous years.

As per our report annexed  
For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S  
  
**K SRINIVASAN**  
Partner  
Membership No.:021510

**P R VENKETRAMA RAJA**  
Chairman  
  
**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director  
  
**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**  
Director  
  
**P R KARTHIC**  
Company Secretary  
  
Place : Chennai  
Date : 23 May 2018

## 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 (excluding Share Capital and Reserves and surplus)	Investments	Turnover	Profit/(Loss) Before Tax	Provision for Tax	Profit After Tax	Other Comprehensive Income	Total Comprehensive Income	Proposed dividend	% of shareholding	Exchange Rate used (Rs. per unit of foreign currency)	
																BIS	P&L
Ramco Systems Corporation, USA	2017-18	USD	105.74	222.16	804.28	476.38	0.43	904.36	111.16	-	111.16	0.33	111.49	-	98%	64.49	64.15
	2016-17		105.74	110.67	553.07	336.66	0.43	830.71	84.60	-	84.60	(6.12)	78.47	-		64.45	66.80
Ramco Systems Ltd., Switzerland	2017-18	CHF	29.33	128.33	171.37	13.71	-	20.22	11.90	-	11.90	8.52	20.42	-	100%	67.88	65.73
	2016-17		29.33	107.91	154.26	17.02	-	45.79	14.46	-	14.46	(8.11)	6.35	-		64.13	67.29
Ramco Systems Sdn. Bhd, Malaysia	2017-18	MYR	18.22	20.45	346.44	307.77	-	294.06	(67.89)	-	(67.89)	10.86	(57.03)	-	100%	17.11	15.65
	2016-17		18.22	77.48	237.39	141.69	-	299.48	(18.94)	2.38	(21.32)	(16.73)	(38.05)	-		14.79	16.17
Ramco Systems Pte. Ltd., Singapore	2017-18	SGD	1,116.08	(1,132.10)	569.02	585.05	-	423.74	(352.49)	(0.33)	(352.16)	(31.21)	(383.36)	-	100%	49.14	47.05
	2016-17		510.13	(748.74)	355.32	593.92	-	298.63	(378.16)	2.71	(380.88)	24.91	(355.97)	-		45.95	48.16
RSL Enterprise Solutions (Pty) Ltd., South Africa	2017-18	ZAR	99.02	(51.54)	167.48	120.00	-	146.02	(41.55)	10.79	(52.34)	(0.01)	(52.36)	-	100%	5.43	4.84
	2016-17		-	0.82	171.09	170.27	-	239.56	2.68	(15.10)	17.78	0.42	18.20	-		4.70	4.62
Ramco Systems Canada Inc., Canada*	2017-18	CAD	0.43	14.25	23.86	9.18	-	20.38	6.91	2.12	4.79	0.34	5.13	-	100%	49.99	49.77
	2016-17		0.43	9.12	19.24	9.69	-	31.21	2.05	0.46	1.59	(0.75)	0.84	-		48.19	50.68
Ramco Systems FZ-LLC, Dubai	2017-18	AED	0.62	402.86	1,007.81	604.33	-	652.34	67.01	-	67.01	1.24	68.25	-	100%	17.21	17.12
	2016-17		0.62	334.61	933.18	597.96	-	632.75	64.81	-	64.81	(11.72)	53.09	-		17.20	17.83
RSL Software Company Ltd., Sudan	2017-18	SDG	2.08	(9.12)	9.26	16.30	-	-	(13.02)	-	(13.02)	11.00	(2.02)	-	100%	3.59	9.04
	2016-17		2.08	(7.10)	3.99	9.01	-	-	(1.59)	-	(1.59)	1.31	(0.28)	-		9.67	10.64
Ramco Systems Australia Pty Ltd, Australia	2017-18	AUD	526.13	(625.15)	488.58	587.61	-	493.38	(302.62)	-	(302.62)	(11.75)	(314.37)	-	100%	49.50	49.37
	2016-17		52.45	(310.78)	457.14	715.47	-	499.44	(210.48)	-	(210.48)	4.72	(205.76)	-		48.98	49.86
Ramco System Inc., Philippines	2017-18	PHP	17.44	75.39	317.38	224.55	-	327.58	84.30	24.69	59.62	(5.33)	54.29	-	100%	1.24	1.27
	2016-17		17.44	21.10	155.12	116.58	-	182.27	42.45	10.93	31.52	(10.42)	21.10	-		1.29	1.39
Ramco Systems (Shanghai) Co. Limited, Shanghai	2017-18	CNY	10.41	(5.65)	14.34	9.58	-	5.15	(5.21)	-	(5.21)	(0.45)	(5.65)	-	100%	10.22	9.61
	2016-17		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		NA	NA
Ramco System Vietnam Company Limited, Vietnam	2017-18	VND	16.44	(2.40)	16.61	2.57	-	-	(2.22)	-	(2.22)	(0.18)	(2.40)	-	100%	0.0029	0.0028
	2016-17		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		NA	NA
PT. Ramco Systems Indonesia, Indonesia	2017-18	IDR	16.28	(3.54)	19.23	6.49	-	-	(3.10)	-	(3.10)	(0.44)	(3.54)	-	100%	0.0047	0.0048
	2016-17		NA	NA	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	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, 2018	Considered in consolidation	Not considered in consolidation
		No. of Shares	Amount of Investment	Extent of Holding %	Networth attributable to shareholding	Profit / Loss for the year	
City Works Pty. Ltd., South Africa	Feb 28, 2017	600	0.003	30%	12.49	4.69	3.28

As per our report annexed

For M S JAGANNATHAN & N KRISHNASWAMI

Chartered Accountants

Firm Registration No. 001208S

K SRINIVASAN

Partner

Membership No.:021510

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director

P R KARTHIC

Company Secretary

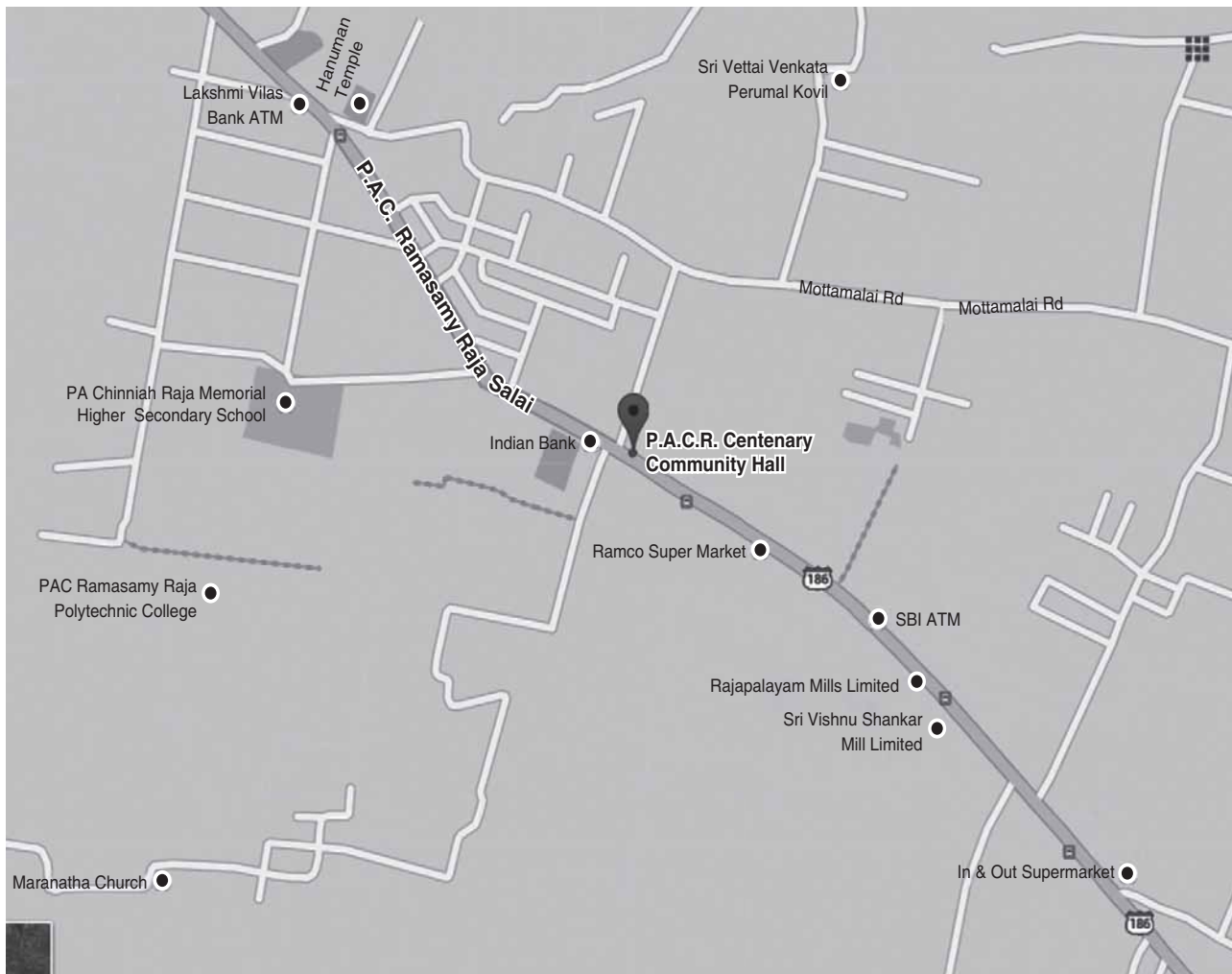
Place : Chennai

Date : 23 May 2018

## Ramco Systems Limited, INDIA

### Map Showing location of venue of 21<sup>st</sup> 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 Twenty First Annual General Meeting of the Members of Ramco Systems Limited, will be held on Friday, the 3<sup>rd</sup> August 2018 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** the Board’s Report and the Company’s Separate (Standalone) and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March 2018, 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 A V Dharmakrishnan (DIN:00693181), who retires by rotation be and is hereby reappointed as a Director of the Company”.

#### SPECIAL BUSINESS:

3. To consider and pass the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Sankar Krishnan (DIN:01597033), appointed by the Board of Directors in the category of an Independent Director as an Additional Director on 11<sup>th</sup> May 2018 pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment, be and is hereby appointed as a Director of the Company, under Independent Director category for a period of five (5) consecutive years from the date of his appointment, viz., 11<sup>th</sup> May 2018”.

4. To consider and pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri M M Venkatachalam (DIN:00152619), Independent Director of the Company, whose term ends on 31<sup>st</sup> March 2019 be reappointed as Independent Director for another term of five (5) consecutive years starting from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024”.

5. To consider and pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri R S Agarwal (DIN:00012594), Independent Director of the Company, whose term ends on 31<sup>st</sup> March 2019 be reappointed as Independent Director for another term of five (5) consecutive years starting from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024”.

By Order of the Board,  
**For RAMCO SYSTEMS LIMITED**

Place : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

#### 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 is included in the statement.

## Ramco Systems Limited, INDIA

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. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification dated 7<sup>th</sup> May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants, who were appointed as Auditors for a period of five (5) years in the 20<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August 2017.
4. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2017-18 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](http://www.ramco.com) for their download.
5. 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](mailto:investor@cameoindia.com).
6. 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.
7. 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".
8. 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) Regulations, 2015, the Company is providing remote e-voting facility through the e-voting platform provided by Central Depository Services (India) Limited (CDSL) to enable members to exercise to their right to vote at the 21<sup>st</sup> Annual General Meeting by electronic means and the business may be transacted through such voting.
  - 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 31<sup>st</sup> July 2018 and ends at 5.00 p.m. on Thursday, the 2<sup>nd</sup> August 2018. 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, 27<sup>th</sup> July 2018, 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](http://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](http://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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>

- (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.



## Ramco Systems Limited, INDIA

(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

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](http://www.evotingindia.com) and register themselves as corporates. Corporates and custodians already registered with CDSL should use their existing login details.

- a. 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](mailto:helpdesk.evoting@cdslindia.com).
- b. 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.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- c. 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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 27<sup>th</sup> July 2018.

- I. 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 remote e-voting process and ballot process at the AGM, in a fair and transparent manner.
- II. The Chairman shall, at the AGM, 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 AGM but have not cast their votes by availing the remote e-voting facility.
- III. The scrutinizer shall, immediately after the conclusion of voting at the AGM, 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 forty eight hours 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 any Director or Chief Executive Officer or Chief Financial Officer or Company Secretary who shall countersign the same and shall declare the consolidated result of the remote e-voting and ballot process at the AGM.

VI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.ramco.com](http://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 : Chennai  
Date : 23<sup>rd</sup> May 2018

**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. 3

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee had appointed Shri Sankar Krishnan (DIN:01597033) as an Additional Director on 11<sup>th</sup> May 2018, under Non-Executive Independent Director category.

Shri Sankar Krishnan, 50 years, is an ex-partner of McKinsey & Company, who led McKinsey's healthcare practice, initially in India, and then in Greater China. In his 14 years at McKinsey, he focused on healthcare, serving a variety of multinational and local pharmaceutical companies, government and quasi-government bodies, hospital chains and health insurance companies across India, China, Israel and West Asia, and South East Asia. His primary areas of expertise include organisational and leadership development, sales and marketing, and operations. He left McKinsey in July 2006, to set up as an independent consultant in the not-for-profit sector in Asia. He is currently Pro Vice Chancellor, Ashoka University, Sonapat, since September 2017.

Shri Sankar Krishnan is a B.Tech, Computer Science and Engineering from the College of Engineering, Trivandrum and an MBA from the Indian Institute of Management – Ahmedabad.

In terms of Section 161(1) of the Companies Act, 2013, Shri Sankar Krishnan holds office as Additional Director up to the date of the forthcoming Annual General Meeting.

Shri Sankar Krishnan is proposed to be appointed as an Independent Director for five (5) consecutive years from the date of his appointment. He has furnished a declaration pursuant to section 149(6) of the Companies Act, 2013 that he meets the criteria of independence and is hence eligible for appointment as an Independent Director. In the opinion of the Board, Shri Sankar Krishnan fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

The Board of Directors is of the opinion that his vast knowledge and experience will be of great value to the Company and hence recommends the Resolution for your approval.

He is presently in the Board of Shri Harini Media Limited as an Independent Director.

He is also the Member of Audit Committee and Nomination and Remuneration Committee of the Company.

He does not hold any shares in the Company.

A copy of the letter of appointment issued to Shri Sankar Krishnan would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

### Disclosure of Interest:

Except Shri Sankar Krishnan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of LODR.

### Item No.4

Shri M M Venkatachalam (DIN:00152619) is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 28<sup>th</sup> July 2014, Shri M M Venkatachalam was appointed as Independent Director of the Company, for a period of five (5) consecutive years from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2019. In accordance with Section 149(10) of the Companies Act, 2013, he is eligible for reappointment upon passing of a Special Resolution at the General Meeting of the Company.

In accordance with Regulation 17(10) of LODR and Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Shri M M Venkatachalam, as an Independent Director and found the same to be satisfactory and his contributions to the deliberations were beneficial in Board / Committee Meetings.

## Ramco Systems Limited, INDIA

In accordance with Part D(A)(5) of Schedule II, read with Regulation 19(4) of LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 22<sup>nd</sup> May 2018 had recommended to extend the term of office of Shri M M Venkatachalam by reappointing him for another period of five (5) years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri M M Venkatachalam fulfils the conditions specified in the Companies Act, 2013 for such reappointment.

Shri M M Venkatachalam is eligible for sitting fee for attending Board / Committee Meetings and Meeting of Independent Directors as applicable to the Directors from time to time. His reappointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

His reappointment has been included as Special Resolution and the Board of Directors recommend his reappointment.

His Profile in brief is given below:-

Shri M M Venkatachalam, 61 years, is a graduate in Agriculture from the University of Agricultural Sciences in Bangalore, holds Masters in Business Administration from the George Washington University, USA.

He had held the position of Vice Chairman of The Planters' Association of Tamil Nadu and was the past president of The Employers' Federation of Southern India.

He has been on the Board of Ramco Systems Limited since 5<sup>th</sup> April 2001

He is also the Chairman of Nomination and Remuneration Committee, Allotment Committee and Member of Audit Committee, Corporate Social Responsibility Committee and Fund Raising Committee and Rights Issue 2013 Committee of the Company.

He is also a Director in 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	Director	8.	Ootacamund Club	Director
2.	Coromandel International Limited	Director	9.	Ambadi Enterprises Limited	Director
3.	Coromandel Engineering Company Limited	Director	10.	Ambadi Investments Limited	Director
4.	EID (Parry) India Limited	Additional Director	11.	M M Muthiah Sons Private Limited	Director
5.	Parry Agro Industries Limited	Director	12.	New Ambadi Estates Private Limited	Director
6.	Alampara Hotels and Resorts Private Limited	Director	13.	M M Muthiah Research Foundation	Director
7.	USV Private Limited	Director			

He is also a Member in the following Committees of other Companies:-

Sl. No	Name of the Company	Name of the Committee	Position Held
1.	Coromandel International Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
2.	E.I.D Parry (India) Limited	Audit Committee	Member
3.	The Ramco Cements Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
4.	Coromandel Engineering Company Limited	Nomination & Remuneration Committee	Member
		Risk Management Committee	Member

Sl. No	Name of the Company	Name of the Committee	Position Held
5.	Parry Agro Industries Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
6.	USV Private Limited	Audit Committee	Member
		Corporate Social Responsibility Committee	Member
7.	New Ambadi Estates Private Limited	Corporate Social Responsibility Committee	Chairman
8.	Ambadi Enterprises Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member

He does not hold any shares in the Company.

The draft letter of reappointment for Shri M M Venkatachalam as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

#### Disclosure of Interest:

Except Shri M M Venkatachalam, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of LODR.

#### Item No.5

Shri R S Agarwal (DIN 00012594) is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 28<sup>th</sup> July 2014, Shri R S Agarwal was appointed as an Independent Director of the Company, for a period of five (5) consecutive years from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2019. In accordance with Section 149(10) of the Companies Act, 2013, he is eligible for reappointment upon passing of a Special Resolution at the General Meeting of the Company.

The name of Shri R S Agarwal has been featured in the website of Ministry of Corporate Affairs for disqualification under Section 164(2) of the Companies Act, 2013 regarding Orion Alloy & Strips Limited. Shri R S Agarwal had submitted that he had never provided his consent to act as a Director in Orion Alloy & Strips Limited and that the said company had forged his signature in the consent letter and created false documents. He had initially obtained a stay from Honourable High Court of Delhi against his disqualification from acting as Director. Subsequently, the court has set aside the disqualification vide its order dated 11<sup>th</sup> January 2018, subject to any further order that may be passed by the Registrar of Companies, Delhi, on consideration of his representation. Shri R S Agarwal has confirmed that as on the date of this notice, the Registrar of Companies has not passed any order on his representation.

In accordance with Regulation 17(10) of LODR and Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Shri R S Agarwal, as an Independent Director and found the same to be satisfactory and his contribution to deliberations were beneficial in Board / Committee Meetings.

In accordance with Part D(A)(5) of Schedule II, read with Regulation 19(4) of LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 22<sup>nd</sup> May 2018 had recommended to extend the term of office of Shri R S Agarwal by reappointing him for another period of five (5) years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri R S Agarwal fulfils the conditions specified in the Companies Act, 2013 for such reappointment.

Shri R S Agarwal is eligible for sitting fee for attending Board / Committee Meetings and Meeting of Independent Director applicable to the Directors from time to time. His reappointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

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His reappointment has been included as Special Resolution and the Board of Directors recommend his reappointment.

His Profile in brief is given below:-

Shri R S Agarwal, 75 years, has completed B.Sc., B.E. (Chemical Engineering) and started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

While in service with IDBI, he had dealt with many subjects and projects including –

- Member of “Satyam Committee” set up by Government of India in 1999-2000 for formulation of policy for textile industry and involvement in preparation of policy notes, detailed guidelines and implementation of “Technology Upgradation Fund (TUF)” introduced by the Ministry of Textiles, Government of India in April 1999.
- Preparation of policy paper and guidelines on development of “Special Economic Zone” in the country for the Ministry of Commerce, Government of India in January 2002.
- Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

He has been on the Board of Ramco Systems Limited since 29<sup>th</sup> May 2009.

He is also a Director in the following other Companies:-

Sl. No.	Names of the Entities	Nature of Interest	Sl. No.	Names of the Entities	Nature of Interest
1.	Ramco Industries Limited	Director	4.	Suryalata Spinning Mills Ltd.	Director
2.	GVK Jaipur Expressway Pvt. Ltd.	Director	5.	The Ramco Cements Limited	Director
3.	Surya Lakshmi Cotton Mills Ltd.	Director			

He is also a Member in the following Committees of other Companies:-

Sl. No.	Name of the Company	Name of the Committee	Position Held
1.	Ramco Industries Limited	Audit Committee	Chairman
2.	Ramco Industries Limited	Nomination & Remuneration Committee	Chairman
3.	Ramco Industries Limited	Corporate Social Responsibility Committee	Member
4.	Surya Lakshmi Cotton Mills Limited	Audit Committee	Member
5.	Surya Lata Spinning Mills Limited	Audit Committee	Member
6.	GVK Jaipur Expressway Private Limited	Audit Committee	Member

Under Regulation 17(1A) of LODR, Special Resolution is necessary for appointing any person, as a Non-Executive Director, if he has attained the age of 75 years. The proposed Special Resolution satisfies the norm. The statement pursuant to Section 102 of the Companies Act, 2013, may be treated as the required justification for the appointment of Shri R S Agarwal.

He does not hold any shares in the Company.

The draft letter of reappointment for Shri R S Agarwal as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

### Disclosure of Interest:

Except Shri R S Agarwal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of LODR.

#### 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 A V Dharmakrishnan (DIN:00693181), Director, retire by rotation and is seeking re-election at the ensuing Annual General Meeting.

Shri A V Dharmakrishnan, 61 years, Non- Executive Director and Non- Independent Director, is a member of Institute of Chartered Accountants of India and qualified as a chartered accountant in the year 1980. Shri A V Dharmakrishnan has about 38 years of professional experience. He is currently the Chief Executive Officer of The Ramco Cements Limited (TRCL) and has been associated with TRCL for 36 years since May 1982. He has been on our Board since 31<sup>st</sup> January 2008 and holds 1,70,692 shares in the Company.

He is also the Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Allotment Committee, Corporate Social Responsibility Committee, Fund Raising Committee and Rights Issue 2013 Committee of the Company.

He is also a Director in the following other Companies:-

Sl. No.	Names of the Entities	Nature of Interest	Sl. No.	Names of the Entities	Nature of Interest
1.	Rajapalayam Mills Limited	Director	4.	Ramco Windfarms Limited	Director
2.	Lynks Logistics Limited	Director	5.	Madurai Trans Carrier Limited	Director
3.	Shri Harini Media Limited	Director	6.	Ontime Industrial Services Limited	Director

He is also a Member in the following Committees of other Companies:-

Sl. No.	Name of the Company	Name of the Committee	Position
1.	Rajapalayam Mills Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
2.	Shri Harini Media Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Compensation Committee	Member
3.	Madurai Trans Carrier Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
4.	Ontime Industrial Services Limited	Nomination and Remuneration Committee	Member

#### Disclosure of Interest:

Except Shri A V Dharmakrishnan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of LODR.

By Order of the Board,  
For **RAMCO SYSTEMS LIMITED**

Place : Chennai  
Date : 23<sup>rd</sup> May 2018

**P R VENKETRAMA RAJA**  
CHAIRMAN

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## 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

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

DP ID :

Folio No. :

Client ID :

No. of shares :

Name and address of the Member/Proxy\*:

I/We hereby record my/our presence at the 21<sup>st</sup> Annual General Meeting of the Company held on Friday, the 3<sup>rd</sup> August 2018 at 11.45 A.M at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam – 626 108.

Signature of Member / Proxy Attending

\*(To be filled in, if the proxy attends instead of the Member)

Note: Members and their proxies would be allowed to attend the meeting on production of this slip duly completed and signed. Duplicate attendance slips will not be issued at the venue of the meeting.

### 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 21<sup>st</sup> Annual General Meeting of the Company, to be held on Friday, the 3<sup>rd</sup> August 2018 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 overleaf:

Signed this ..... day of .....2018.

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Member's Signature .....

Affix Re 1/-  
Revenue  
Stamp

**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.**

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Resolution No	Resolutions
<b>Ordinary Business</b>	
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March 2018.
2.	Appointment of Shri A V Dharmakrishnan (DIN:00693181), a Director retiring by rotation.
<b>Special Business</b>	
3.	Appointment of Shri Sankar Krishnan (DIN:01597033), as an Independent Director of the Company.
4.	Reappointment of Shri M M Venkatachalam (DIN:00152619), as an Independent Director of the Company.
5.	Reappointment of Shri R S Agarwal (DIN:00012594), as an Independent Director of the Company.

## Notes

## Notes

## Overseas Locations

### North America

#### USA

Ramco Systems Corporation  
Crossroads Corporate Center  
3150 Brunswick Pike, Suite 206  
Lawrenceville, NJ 08648  
Tel: +1 609 620 4800  
Fax: +1 609 620 4860  
Toll Free: +1 800 472 6261

#### Canada

Ramco Systems Canada Inc.  
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1066, West Hastings Street  
Vancouver, BC V6E 3X1

### Europe

#### Switzerland

Ramco Systems Limited  
Dorfplatz 3, P.O. Box 26  
CH - 4418 Reigoldswil  
Tel: +41 (0)61 205 25 25  
Fax: +41 (0)61 205 25 90

#### United Kingdom

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120 Dorset House  
Regent Park  
297-299 Kingston Road  
Leatherhead  
Surrey KT227PL  
Tel: +44-01372824774

#### Germany

Ramco Systems Limited  
Lyoner Strasse 14 60528  
Frankfurt am Main  
Tel: +49 069 6655 4485  
Fax : +49 069 6655 4100

### ANZ

Ramco Systems Australia Pty Ltd  
Suite 7, Level 8, 99 York Street  
Sydney NSW 2000  
Tel: +61 2 90898933

Ramco Systems Australia Pty Ltd  
Level 17, 60 City Road,  
Southbank, Melbourne VIC 3006  
Tel: +61 42 8816170

Ramco Systems Australia Pty Ltd  
127 Main Highway, Ellersite  
Auckland, 1051

### Middle East

#### Dubai

Ramco Systems Limited  
Suite 205, 2<sup>nd</sup> Floor, BT Building,  
EIB-4, Dubai Internet City  
PO Box 500235  
Dubai - U.A.E  
Tel : +971 4 3636784  
Fax : +971 4 3636785

### Dubai

Ramco Systems FZ-LLC  
Suite No.111, 1<sup>st</sup> Floor, BT Building  
EIB 04, Dubai Internet City  
P O Box : 500189  
Dubai – U.A.E  
Tel : + 971 4 3636784  
Fax : + 971 4 3636785

### Africa

#### South Africa

RSL Enterprise Solutions (Pty) Limited  
No 5, Walnut Road  
2<sup>nd</sup> Floor, SmartXchange Building  
PO No.1228, Durban-4000  
South Africa  
Tel: +27 31 304 0911, 0918, 0928  
Fax: +27 31 304 3499

#### North Africa

RSL Software Company Limited  
House number 306, Second Floor  
Block 21, Riyadh, Khartoum, Sudan

### ASIA

#### Malaysia

Ramco Systems Sdn. Bhd.  
3B-5-3 Block 3B Level 5  
Plaza Sentral  
Jalan Stesen Sentral 5  
Kuala Lumpur - 50470  
Tel : +603 22603978  
Fax : +603 2260 1978

#### Singapore

Ramco Systems Pte Ltd.  
79 Anson Road, #15-04/05  
Singapore - 079906  
Tel : +65 6743 1513  
Fax : +65 6743 1514

#### Hong Kong

Ramco Systems Pte Ltd.  
#761, 7/F, 181 Queen's Road Central

#### Philippines

Ramco System Inc.  
Unit – 65 & 66, Floor 16,  
Tower 6789 (Alphaland Makati Tower),  
Ayala Avenue, Makati,  
1226 Metro Manila  
Tel : +63 2 835 8953

### China

Ramco Systems (Shanghai) Co. Ltd.  
Unit No.336, Suite B, Floor 3,  
No.99, Gongping Road, Hongkou District  
Shanghai

### Indonesia

PT Ramco Systems Indonesia  
The Executive Center  
Suite 28 at Level 30, South Tower,  
Sampoerna Strategic Square,  
Jl. Jend. Sudirman Kav. 45-46, Jakarta

### Vietnam

Ramco System Vietnam Company  
Limited  
Room 24, 16<sup>th</sup> Floor,  
Saigon Tower, 29 Le Duan Boulevard,  
District 1, Ho Chi Minh City



For more information, you can e-mail us at [contact@ramco.com](mailto:contact@ramco.com) or visit us at [www.ramco.com](http://www.ramco.com)

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# ramco

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