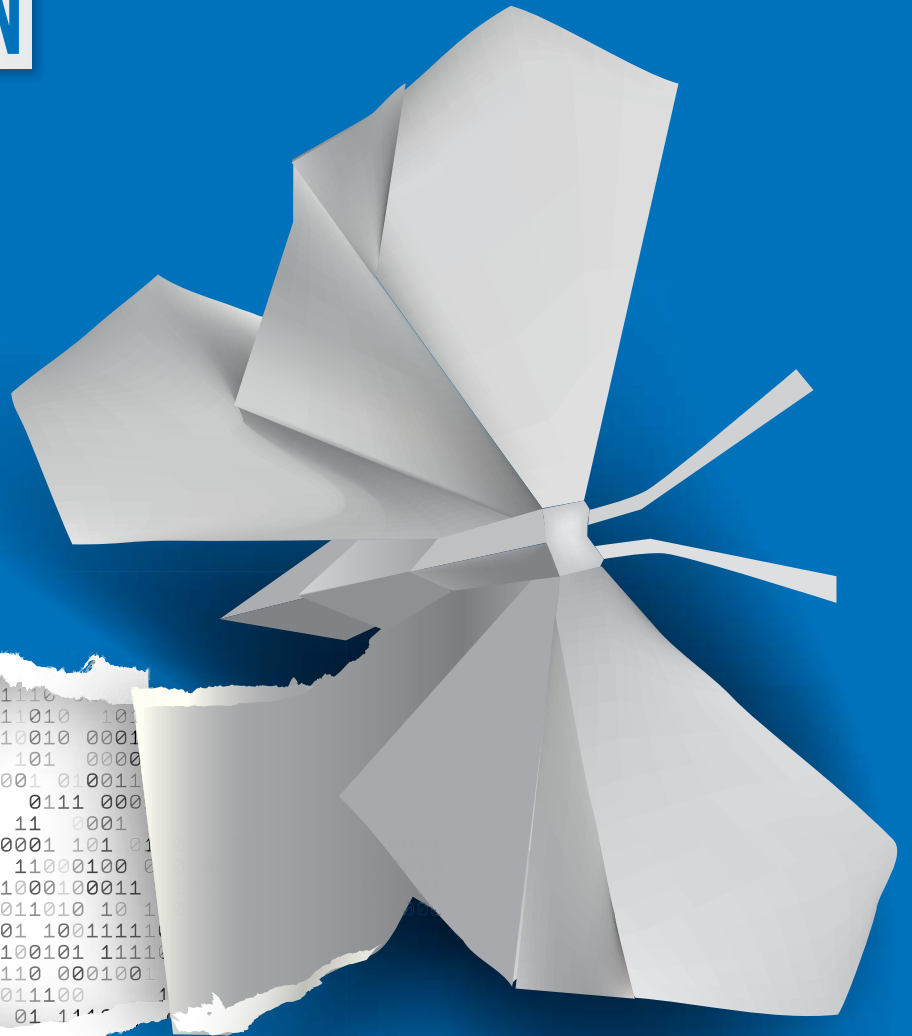
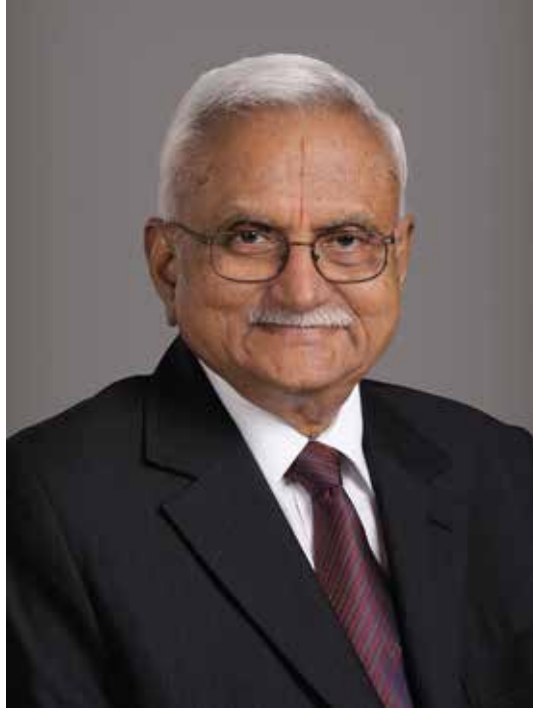


DIGITAL TRANSFORMATION

Inspired by
innovation





"Gurubakthamani"
Shri P R Ramasubrahmaneya Rajha
Sridharmarakshakar, Ramco Group

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the Annual Report



Cautionary Statement Regarding Forward-Looking Statement

Certain statements in this release concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT business including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Ramco Systems may, from time to time, make additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

Board of Directors



Mr. P R Venketrama Raja
Chairman

Mr. P V Abinav Ramasubramaniam Raja
Whole-Time Director

Mr. M M Venkatachalam, Independent Director

Mr. A V Dharmakrishnan, Non Independent Director

Mr. R S Agarwal, Independent Director

Mrs. Soundara Kumar, Independent Director

Mr. Sankar Krishnan, Non Independent Director

Justice Mr. P P S Janarthana Raja (Retd.), Independent Director

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

Internal Auditors: Messrs SRSV & Associates, Chartered Accountants, Chennai

Secretarial Auditors: Messrs S. Krishnamurthy & Co., Company Secretaries, Chennai

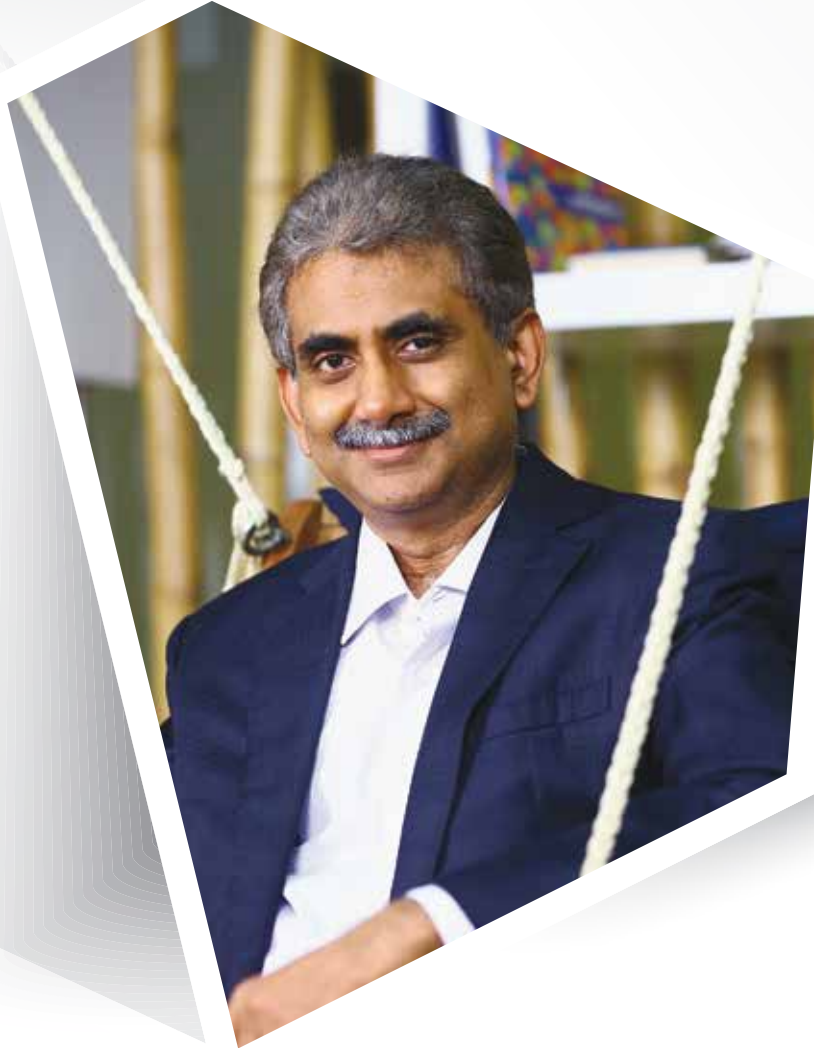
Bankers: Axis Bank Limited, HDFC Bank Limited, HSBC Limited, ICICI Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, Yes Bank Limited

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, R S L Software Co. Ltd, Sudan, Ramco Systems Australia Pty Ltd, Australia, Ramco System Inc., Philippines, Ramco Systems (Shanghai) Co. Ltd., China, PT Ramco Systems Indonesia, Indonesia, Ramco System Vietnam Company Limited, Vietnam and Ramco Systems Macau Limited, Macau.

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



“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.”

- CHARLES DARWIN

Dear Shareholders,

The pandemic has impacted the way we have lived our lives. It has challenged us to rethink, reboot and reflect on the way forward. In the face of uncertainty one thing is certain: businesses have changed the way they operate. Many new strategies have been undertaken and implemented by organizations to transform their business, from digitization to incorporating remote workforce policies.

At Ramco, we believe that technology should simplify business operations. It is this philosophy that inspires us to constantly innovate, which helps organizations throughout the world to keep abreast of emerging trends.

Our philosophy is particularly relevant during times of crisis, like the pandemic which has disrupted every aspect of our everyday lives. It is more urgent now than ever for businesses to adopt technology to survive and grow.

We too felt the impact of COVID-19 – from implementation challenges amidst remote working conditions to critical business functions needing immediate attention and other business challenges. Amidst the chaos, our focus on innovation remained the same. Ramco’s Touchless Employee Experience or the Pandemic Control System is a testament to that. Within a short span of weeks, our Innovation Lab added thermal screening to RamcoGEEK, our existing facial recognition-based attendance system. With IoT integrations across turnstiles, kiosks and doors, and a system that also enables contact tracing and social distancing with real-time location sensing, the innovators at our lab were quick to launch a truly Touchless Employee Experience System. The agility in designing an application that has universal purpose and demand is what defines a true forward-looking business.

Digital Transformation – Inspired by Innovation

In the world of business today, speed matters more than anything else, and Digital Transformation will be possible only when organizations are agile. Transforming operations will bring in operational excellence that will be driven by technology thus paving way for innovation and

excellence. This is where Digital Transformation steps in. We, at Ramco, continue to emphasize on the fact that a true Digital Transformation is all about results that should be driving an improvement that is not just incremental but substantial. What was expected to become a need by 2025, has now become urgent and important. At the heart of our Digital Transformation initiative lie five tenets:

- Zero UI
- AI and ML technology
- Frictionless computing
- Event-driven notifications
- Universal Personalization Engine (UPE)

The success of any DT initiative comes from carefully establishing the prime objective or motivation of initiating digital transformation right in the beginning – whether it is enabling transparency throughout organization, improving employee engagement and collaboration, boosting operational efficiency, increasing productivity or anything else. This has been setting the stage for deriving true results. Ramco's Digital Transformation promises:

- EBITDA Improvement
- NextGen Customer Experience (#CX)
- Building a real-time organization and making it agile

Notes from the year bygone

Last year was an eventful one as our contributions were recognized and lauded by leading, reputed organizations. We won the 2019 Frost & Sullivan Asia-Pacific Enterprise Application Vendor of the Year Award for our innovations. We were recognized as a Notable Vendor in the Gartner Asia/Pacific Context: Magic Quadrant for Transportation Management Systems.

NelsonHall positioned us as a LEADER in its NEAT Matrix for Next Generation Payroll Services. We bagged the Best Payroll Software and Best Payroll Outsourcing Partner Award at the HR Vendors of the Year 2019 Awards in Singapore and Malaysia. Meanwhile, the implementation of our solutions at Standard Chartered Bank led us to win the 2019 Global Payroll Transformation Project of the Year award from Global Payroll Association.

Moving on to business performance, I am glad to say that we continued to explore new geographies besides winning the trust of marquee customers across industries.

ERP, last year, announced the biggest deal in the history of Ramco Systems with one of Philippines' largest players in the cement industry who chose us for their end-to-end digital transformation. We also had the world's second largest Human Resources provider and temporary staffing firm reaffirm its trust in Ramco.

On Logistics front, large multinational groups in the Middle East and leading logistics service providers in the APAC region signed up for our Logistics solution. Our focus in ANZ was on execution excellence in the previous year, and we made significant progress on this front too.

Meanwhile, HR & Global Payroll made inroads into the vast university sector in Australia, which is undergoing a massive HR transformation. We also added a Fortune 500 company to our list of premium clients. The business unit remained focused on successfully delivering go-lives on time thus building a strong customer base.

The Aviation segment expanded its presence into the North American Air Defense Adversary services industry. We also established ourselves in China with the win of two large players – HAECO & China Aircraft Services (CASL). On the other hand, we continued our dominance in the heli-operator segment with the addition of ASESA, and a Mexico-based large heli-operator that chose Ramco Aviation Solution.

Overall, FY 20 was heading for a great finish except for the headwinds in the last quarter caused by the pandemic. We are truly grateful to each one of our valuable stakeholders, whose unwavering trust in us inspired us to innovate, win accolades, and grow. We promise to make the next year better and brighter with our Digital Transformation initiatives.

As we embrace the new normal, we understand we are all in it together. Let's bring in the positivity to rise above.

Stay Safe

Regards,



P R Venketrama Raja

Annual Report 2020

Theme

The ancient Japanese art of Origami (from “oru” meaning to fold, and “kami” meaning paper) is all about turning something simple into something magical.

All it takes is a single fold, to unfold a million possibilities. When companies undergo a digital transformation, something similar happens.

A simple embrace of better technology can lead to myriad magical things.

Customer experiences are reimagined.
Operational excellence is recalibrated.
Business models are reinvented.

A single turn towards digital transformation,
can lead to the path of greatness.

And Ramco is helping companies navigate this
critical turn.

That’s because we believe that a million possibilities,
lie beyond just one deft movement.

Board's Report

Dear Members,

Your Board of Directors ("the Board") are pleased to present the Twenty Third Board's Report on the business and operations of the Company ("Ramco Systems" or "Ramco" or "RSL" or "Company"), together with the audited standalone and consolidated financial statements for the year ended March 31, 2020.

SUMMARY OF PERFORMANCE

In the financial year (FY) 2019-20, your Company continued its growth momentum, with a consolidated turnover of Rs. 5,689.16 Mln. during the FY 2019-20, as against previous year turnover of Rs. 5,421.30 Mln. recording a growth of 5% over the previous year. Amongst the Business Units, ERP registered a growth of 15%. Amongst the geographies, India recorded a growth of 28%. The Consolidated Profit after tax for the FY 2019-20 was Rs. 101.74 Mln. as against Rs. 163.78 Mln. during the previous year.

The Standalone revenue was lower by 3.1% over the previous year and stood at Rs.3,058.48 Mln. in FY 2019-20.

The standalone Profit after tax for FY 2019-20 was at Rs. 248.91 Mln. as against Rs. 518.86 Mln. in the previous year.

The consolidated EPS stood at Rs. 3.32 and standalone stood at Rs. 8.13 for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2020 and March 31, 2019 are as follows: Rs. Mln.

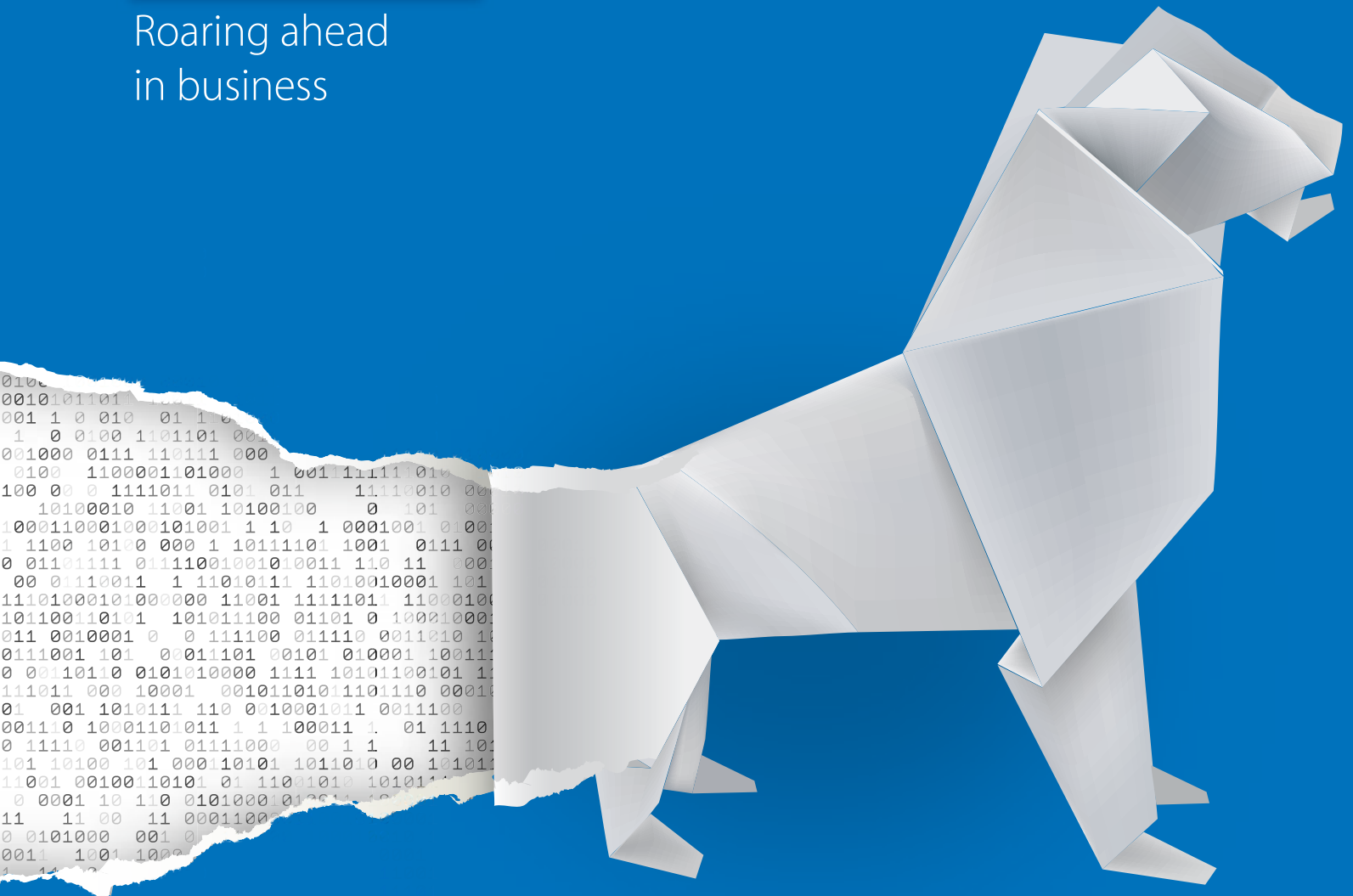
Particulars	For the year ended March 31			
	2020	2019	2020	2019
	Standalone		Consolidated	
Revenue from operations	3,058.48	3,156.94	5,689.16	5,421.30
Total income	3,197.56	3,245.01	5,780.87	5,517.98
Finance cost	107.56	41.03	122.05	42.03
Depreciation & Amortisation	606.08	494.48	664.65	510.88
Total expense	2,584.70	2,509.63	5,445.78	5,094.70
Profit before interest, tax & depreciation (EBITDA)	1,326.50	1,270.89	1,121.79	976.19
Profit before tax	612.86	735.38	335.09	423.28
Provision for tax	363.95	216.52	227.97	254.61
Profit after tax attributable to owners of the parent	248.91	518.86	101.74	163.78
Total comprehensive income attributable to owners of the parent	224.28	502.96	273.24	224.80

BUSINESS ENVIRONMENT

The details of the business operations/Company performance appear in the following pages:

BUSINESS OPERATIONS

Roaring ahead
in business



Ramco ERP - Crafted for the future

The conversation about a sustainable digital transformation strategy must begin with a robust ERP solution. Digital transformation is about being adaptable and responsive to a dynamic market. ERP is one of the most powerful ways of driving this transformation. It uses new-age technology to empower business leaders, combines automation and analytics for real-time problem resolution and drives operational efficiencies.

We won the **2019 Asia-Pacific Enterprise Application Vendor of the Year Award** for our innovations. We were also recognized as a **Notable Vendor in the Gartner Asia/Pacific Context: 'Magic Quadrant for Transportation Management Systems'**.

This year, we introduced several product innovations to our Ramco ERP Suite to help businesses think radically about digital transformation.

Hubs were constantly improved upon, and the year witnessed the introduction of a range of hubs. Some of them included:

- Fixed asset hub, to conduct all the important fixed asset transactions without toggling between screens
- Purchase hub, that provided a single, unified view for managing procurement administrator activities
- Sales hub, to cover all sales transactions in a single screen
- Maintenance hub that acts as one-stop-shop for planning and executing all maintenance activities

Our innovations set the scene for connecting the ecosystem of customers, suppliers and vendors. They are:

- **Customer payment portal** that allows clients to make payments using a seamless payment gateway
- **Sales performance dashboard** to give freedom to users, to slice and dice information based on multiple criteria
- **Supplier snapshot** to provide users everything they need from a supplier point of view in a single click
- **Gantt charts**, that enables a holistic visualization of resources for the production order, maintenance work order and project scheduling
- **Calendars**, where activities assigned can be visualized easily

Ramco's ERP Suite is designed to power the growth of businesses and our continuing partnerships with our customers are a testimony to this. This year our solution went live across 41 service locations for a leading UAE-based facilities management services company. We also successfully implemented our suite at a Philippine-based bank, one of the largest banks in terms of assets. Several others placed their trust in Ramco, including well-renowned operations and maintenance (O&M) solution provider, investment holding company and several other business conglomerates.

We also added some new businesses to our growing list of customers. In the Asia Pacific, we won a deal with a leading workforce solutions provider, where Ramco SRP and HRP will replace their entire middle office solutions. At one of the largest

cement companies, we will be delivering a comprehensive, end-to-end digital transformation, with Ramco ERP Suite. One of our strongest ERP specializations is in the area of logistics. With Ramco Logistics Suite, we will be managing Stellar Value Chain Solutions Private Li's operations across 5 million square feet of warehouse space. Also, one of the world's leading providers of design and technology services chose Ramco's SRP Suite.

Our roadmap for this year will continue to extend ERP solutions to resolve organizational challenges. Among our focus is:

- A Universal Personalization Engine that will create a custom user experience for each user based on pre-existing correlations
- Use cases in AI/ML bundled into the product in areas of finance, supply chain and SRP
- Building and enhancing existing APIs to be more open in connecting with third party systems
- Smart forms enabling email-based data entry for capturing timesheets

Perfecting the pitch

In a market flooded with tons of enterprise applications, we needed to build our niche to capture our own blue ocean space. Over the last couple of years, we have identified and invested in building an ERP suite that addresses the niche requirements of:

- **Asset-centric industry:** Our expertise in enterprise asset management formed the basis of a comprehensive ERP. We have continued to broaden this offering to address the horizontal nature of assets comprehensively. This year we added a leading ports management company, Pelabuhan Tanjung Pelepas Sdn Bhd as our customer.
- **Logistics:** Ramco's Logistics Suite has been designed to lead digital transformation programs for logistics players. It is an end-to-end solution for third party logistics, parcel and express service providers, freight forwarders and project logistics segments.
- **People-centric businesses:** Abandoning the concept where most ERPs are built for product-centric businesses, we built an ERP for people-centric businesses like staffing and professional services. This is a major market for us and we have been focusing on innovations in this area.
- **Contract labor management:** With an alternate workforce gaining prominence, there is a need for managing them with the right system. Ramco has identified this as a lucrative opportunity and built Ramco Contract Labour Management Suite to manage the contract workforce of large organizations. It handles workforce productivity, statutory compliance, workforce planning, exception handling, attendance reconciliation, and a lot more.

Ramco Logistics - To make the right move

Logistics today has a huge impact on the global economy. You cannot imagine a world anymore where there is no virtual buying, storing, shipping, transportation or delivery. We have been focusing on one of our most powerful ERP solutions, the Ramco Logistics Suite, for this dynamic sector. We introduced interesting and power-packed innovations to it. Some of the new features we have added this year include:

- **Artificial Intelligence / Machine Learning** capabilities in the areas of Order Management and Invoice Validations for Transportation Management which will eliminate the error-prone and time-consuming manual effort in these areas, especially in the high-volume set-ups of Courier, Express and Parcel industry and E-commerce Logistics
- **In-memory planning and optimization** capabilities were added as an integral component to the Ramco Transportation Management System. Hitherto positioned as a separate offering, this addition boosts the capability of Ramco TMS by automating and optimizing the planning exercise resulting in significant improvement in the efficiency of transportation operations
- **Chatbots** were introduced to complement Ramco TMS and Warehouse Management Solutions, using which customers can track and trace their bookings, orders, shipment and inventory, and call for specific actions to avail a wide range of information services
- **In-built event management** capability that sends out alerts, notifications and calls for actions, making transactions and access to information easy
- **Portal solutions for customers and suppliers** of logistics service providers to achieve real-time visibility into their respective data and to interact with the LSP
- **APIs** were established to integrate with partner and technology ecosystems such as robotic fulfillment systems, telematics solutions, trade associations, rating engines, carriers and owner-operators
- A single **integrated system to handle LSPs** with capabilities spanning 3PL services, express & parcels, freight forwarding, project logistics, e-commerce logistics and reefer logistics

We bagged some new businesses this year with our increased focus on innovations in the field of logistics. Forwardis chose Ramco Systems to streamline and automate their sales, operations, maintenance, contract management, billing, finance & accounting, and supply chain. Kanoo Logistics, a part of one of the largest independent family-owned multinational groups in the Middle East, also became our customer. We will be helping them automate fulfillment operations using Ramco Warehouse Management System and Billing solution. Entrego is another technology-driven business solutions provider that we have signed a deal with, where we will be implementing an end-to-end solution spanning transportation management, warehouse management, fleet maintenance, contract & billing, finance & accounting and supply chain.

Our focus in ANZ was on execution excellence this year and we made significant progress with two of our flagship clients, Visy Logistics and Glen Cameron Group. Visy Logistics is poised for the next wave of digital transformation with us and we have helped them reduce their costs significantly. Glen Cameron, a multimillion-dollar logistics company, realized a single platform for WMS, fleet management, rating and billing with financials, with Ramco, and seamlessly integrated with external systems.

Our relationships with other customers also continued strong with San Miguel Integrated Logistics Services, Inc., part of one of Philippines' largest conglomerates, implementing Ramco's Logistics Suite, including WMS, TMS, FMS, Visibility and Finance Modules. The solution will support the end-to-end in-house fleet management and help them increase the availability of fleet and reduce TCO. Another stellar achievement we saw was in Indonesia with the digitization of the supply chain, financials and warehouse operations for PT. Cipta Krida Bahari.

In the new financial year, our focus on logistics will be to help our customers to automate, optimize and digitalize their operations with the help of the following;

- Expansion of AI/ML capabilities in Ramco Transportation Management System to automate a wide range of operational areas including booking, planning and billing
- Strengthening the capabilities of "Alerts, Notifications and Actions" in Ramco TMS using Ramco's proprietary ANA Engine to enable predictive and proactive notifications and actionable alerts from anywhere
- Facilitating seamless communication between Ramco Logistics Solution and key stakeholders with the help of chatbots, mobile applications, portal solutions and voice assistants.

In a nutshell, Ramco will continue to focus on mobility, flexibility and user experience to deliver cost savings, superior business performance and a path to growth for businesses with its range of ERP solutions.

Ramco HRP - Business driven, people centric

One of the most interesting applications of digitalization is happening in the field of HR and Payroll. It is changing everything from automating core functions to redefining ways in which talent is acquired and retained, and ways in which performance is measured and optimized. Leading organizations across the world are recognizing the need for digital transformation in the HR and Payroll (HRP) domain. Employees are after all one of the most critical assets of any business and Ramco's HRP suite has been designed to make the experience for them more meaningful.

This year, Ramco made outstanding contributions to its customers for which we secured a position in **Nucleus Research's HCM Technology Value Matrix 2020** and **Nucleus Research's WFM Technology Value Matrix 2020**. NelsonHall positioned us as a **LEADER in its NEAT Matrix for Next Generation Payroll Services**. We bagged the **Best Payroll Software & Best Payroll Outsourcing Partner at HR Vendors of the Year 2019 Awards** in Singapore and Malaysia.

HRP innovations leading the way

In keeping with the spirit of innovation and delivering result-oriented solutions to our customers, this year we have gone one step further in rolling out features that align the HR function to business outcomes. This is made possible with:

- Next-Gen mobility
- Automation driven through AI and ML use cases
- Email and chat-based screen transactions to give zero UI experience
- Bots for HR admin, Over Time, arrear, tax computation, and travel request
- New countries included in our Multi-country payroll platform:
(a) Cyprus (b) Macau (c) Kazakhstan (d) Morocco
- Configurator enhancements like leave and overtime
- Payroll and statutory reports scheduling
- Payroll configuration dashboard
- API portal for easy integrations

With minimalistic UI, a focus on simplifying user experience and APIs that create a digitalized experience for the employees, we have built a suite of products spanning core HR, global payroll, time & attendance, and managed services. Some of the world's leading names chose us this year to kickstart their HR and payroll digital transformation. One of the world's largest logistics companies will be implementing Ramco HRP solution across its Singapore and Malaysia offices. Another big win for us is a leading management consulting firm, where we will be moving them from multiple payroll applications to a single Ramco platform with core HR, payroll, and ESS/MSS covering their payroll in over 20 countries.

In Australia, we signed a deal with one of the biggest universities, ranked among Top 50 universities in the world, to aid them in their HCMS digital transformation program. This is Ramco's largest-ever

deal in the region of Australia & New Zealand. With this we have made inroads into the vast university sector in Australia, which is undergoing a massive HCM-payroll transformation. We have also added a Fortune 500 company to our list of premium clients where we will implement core HR, time & attendance, and payroll for their 3,500 employees in Australia.

Delivering winning results

Our existing relationships with customers continue just as strong as ever. This year we went live at Americana in UAE, KSA and Kuwait with over 4,000 of their stores implementing our solution. This has resulted in a significant reduction in vacation and final settlements. Now, there is a standard, common policy across countries with variations in local labor laws and statutory requirements for the organization. The implementation of our HR suite at Standard Chartered Bank this year led us to win the Global Payroll Transformation Project of the Year award by the Global Payroll Association. With over 99.9% accuracy in payroll processing, the solution is now live in 19 countries across the globe. We also went live with our largest payroll implementation deal in ANZ for one of our customers, replacing their legacy applications. We also had our first customer in Macau which is also the first casino business we have signed a deal with, going live with Ramco Payroll, processing transactions for 23,000 employees. For a leading player in the BPO industry, we implemented Ramco HRP for over 56,000 employees in India, replacing disparate systems. We also implemented our solution at one of the largest and reputed consulting firms in the Philippines covering 60,000 employees, helping them drive payroll transformation through our automation levers.

Over the coming year, our focus will be to continue innovating with AI, ML, and chatbots to automate routine HRP tasks, reduce costs, improve productivity, and provide an employee experience that boosts retention. For this, we will be:

- Adding more transactions on chatbots addressing better user experience
- Innovating with Universal Personalisation Engine
- Focusing on anomaly detection and other features using AI and ML
- Integrating with Oracle, and Tanda
- Expanding our API portal
- Building a preconfigured model for faster implementations
- Adding new countries including US, UK, Kenya, Pakistan, Yemen
- Making usability enhancements
- Enabling payroll for multiple assignments

We will continue to make advancements on both the business and technical fronts in the new financial year to modernize the HRP systems of organizations and help them deliver a seamless experience to their employees, to win their hearts.

Ramco Aviation - Arrival of next-gen solutions

Businesses in the aviation industry like airlines, heli operators, MROs, charters, defense sector players and OEMs need to go beyond process automation. Ramco Aviation Suite is gearing up to accelerate digital transformation for such players. We plan to do this by leveraging technologies like Mobility and AI/ML and by working closely with our customers.

Innovating for the industry

We have enhanced several features in our Aviation Suite this year. Flight operations business processes have been enriched with functions such as crew roster, duty limitation management for pilots, risk assessment related mitigation and approvals, crew currency tracking, and a fleet availability hub. Continuous enhancement and rollout of hubs have been done for customers by migrating them from existing functions to the improved ones — the most popular ones being tech records, inventory management, work reporting, and accounts payable. We also made enhancements to our Mechanic Anywhere App to suit specialized requirements of mobile MRO organizations.

Our ongoing research and development this year have allowed us to introduce product innovations like:

- AI/ML enabled **Mechanic Anywhere App**, which provides discrepancy prediction support based on historical data
- **AI/ML enabling the invoice codification process** for direct invoices where the system suggests the account code and the dimension data based on history
- **Notification framework** with pre-built notifications on desktop and app, with in-line actioning
- **Crew Anywhere App** which supports pilot and crew functions such as duty check-in, reading NOTAM messages and risk assessment surveys
- **Tool-Anywhere App** that manages tool crib operations in inventory on Android
- **Offline integration between the Line Anywhere and Fly Anywhere App** for journey log and maintenance information exchange in bases without connectivity

Trusted by aviation leaders

In recognition of our desire to participate in cooperative Association-Industry affairs concerned with U.S. Army Aviation, and to exchange information on matters of mutual interest through Association activities and media, we were presented the Certificate of Industry Membership by the Army Aviation Association of America.

We expanded our presence in the area of the North American Air Defense Adversary services industry. We added another prestigious customer to our already existing list of other large players who have chosen us as their one-stop-solution partner to cover end-to-end defense operations. The French airline, Air Calédonie, was another major win for us. Ramco also signed a multi-million-dollar digital transformation deal with HAECO to unify operations across additional business units in Hong Kong, Xiamen, and Jinjiang. We will integrate various units and give them complete visibility of resources, materials, and financials. One of the largest third-party

Line MRO providers based out of Hong Kong, CASL, also chose Ramco Aviation Suite for the end-to-end base and line maintenance operations. Our solution will help them reduce overall order-to-cash TAT, eliminate revenue leakage and automate business processes. Air Asia Services Limited (AASL), the largest airframe MRO based out of Taiwan, chose Ramco Aviation suite for transforming its business. Ramco also continued its dominance in the heli operator segment with a new addition of ASESA, and a Mexico-based large heli operator that chose Ramco Aviation Solution.

Meanwhile, our existing partnerships have continued to go strong. We have successfully implemented the Automated invoice codification process, leveraging the AI/ML technology, at Cobham Aviation. We rolled out our Mechanic Anywhere App for AMGH, Republic Airways, Air Methods, Conair, and Cobham. The Line Anywhere App was successfully rolled out across all bases of Panasonic line stations with an interactive LOPA interface for discrepancy management. Ramco solution unified their business operations spread across 68 line stations and 7 repair stations in 28 countries, serving 300+ airlines. Our ties with customers were made stronger with the implementation of work reporting, inventory, accounts payable, and fixed asset hub functionalities. We implemented a form-based data entry for ground handling forms at APlus. We also completed One Aero integration for purchase order and repair order at Aero Norway.

Delivering possibilities to aviation leaders

The year also saw several aviation leaders who began their transformation journey with us. Life Flight implemented Ramco Aviation Suite, witnessing timely SB/AD compliance tracking and monitoring, reduced AOG orders, and increased parts availability. Papillon Grand Canyon Helicopter, improved their internal operations and enhanced visibility into their inventories scattered across the globe. Ramco is now also helping Con Air to eliminate paper from the aircraft maintenance process with an end-to-end task card digitization, starting with authoring the task card and reporting actuals in the authored task card or augmented PDF-based task cards. We have ensured that there is no waiting time or missing information for them anymore.

Something new

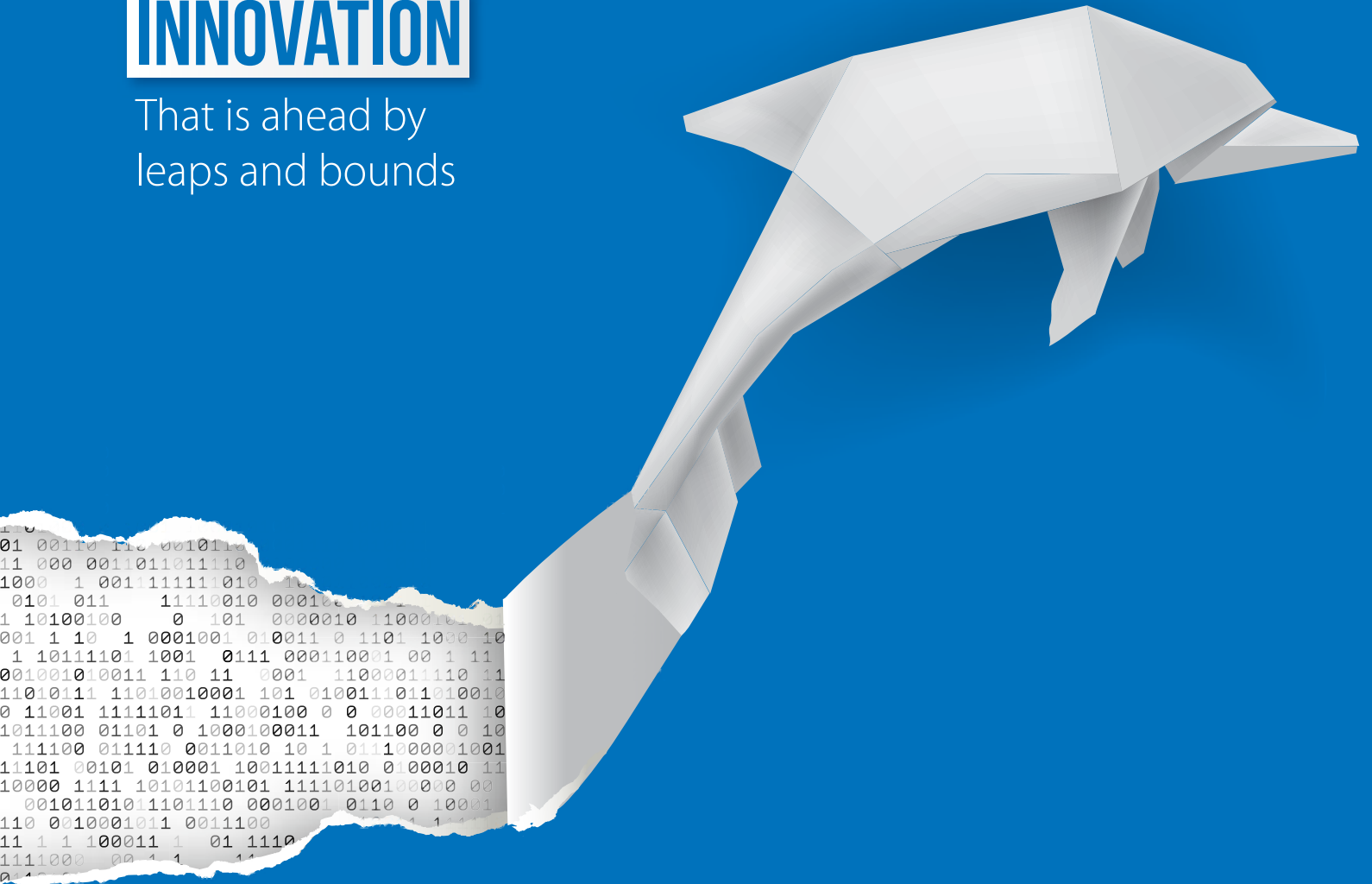
The coming year will be just as exciting for us as the bygone one. We have several new features planned in our roadmap including,

- Advanced material management functions covering ITM, pool, exchanges, supplier contracts, repair management, quotation
- Capacity planning and scheduling improvements in maintenance
- US defense-related enhancements including DCMA/DCAA compliance, IAR, and shipping-related functions
- Language conversion of apps to Spanish
- Management of program and configuration variations across AOCs for maintenance operators

Our aim going ahead continues to be the same — focus on our aviation customer's priorities and guide them in their digital transformation journeys with emerging technologies, innovative thinking, and smart solutions that simplify the user experience.

INNOVATION

That is ahead by leaps and bounds



It is an interesting time to be working in the field of technology. This year, we discovered that even the most well-planned business strategies could flounder in the face of unforeseen circumstances. In today's business world, Enterprises both medium and large scale have invested in technologies that are becoming obsolete very fast, leading to replacement or rewrite of the base platform. The two aspects that companies need to think through to ensure successful adoption of technology to transform their businesses are – Leadership capabilities for managing digital transformation initiatives; and Physical investments to transform businesses.

A true Digital Transformation is all about results that should be driving an improvement that is not just incremental but substantial. Transforming operations will bring in operational excellence that will be driven by technology thus paving the way for innovation and excellence. To analyze the ROI in digital transformation, one needs to carefully establish the prime objective or motivation of carrying out digital transformation right in the beginning – whether it is enabling transparency throughout the organization, improving employee engagement and collaboration, boosting operations efficiency, increasing productivity or anything else. This will set the stage for deriving the true results of the program.

This is why digital transformation is appealing to organizations. It gives them the freedom to adapt quickly to an unpredictable environment. Ramco is leading digital transformation initiatives for many businesses globally. At the heart of this lie five tenets, which fuel our philosophy that digital transformation is not about providing incremental but substantial results.

- Zero UI - reduces the need for a user interface, making everything more conversational
- AI and ML technology - empowers businesses with cost benefits, automation and accuracy
- Frictionless computing - allows transactions to go through without hiccups
- Event-driven notifications - saves time by recommending the next best action
- Universal Personalization Engine (UPE) - truly understands a user and prompts them with relevant information

Ramco's innovation agenda results in,

- EBITDA improvement
- Next-Gen customer experience
- An agile organization
- A real-time organization
- Driving X times improvement in process vs. incremental improvement

The world is conversational

Zero UI moves interactions away from data-hungry screens to conversational transactions where no screens are needed

Mail It: Imagine the ease with which one can simply ask for information from an application that lands the answers directly into the inbox. With Mail It, users can use email to interact with ERP systems, to get any information such as leave balance.

Ramco CHIA: Our chatbot is unlike any other. It understands what a user wants in a specific context. With 30 different chatbot transactions ranging from timesheets to expenses, and travel requests, Ramco CHIA is capable of answering 70% of employee queries without human intervention. This year, we added Ramco CHIA to WhatsApp, and introduced new language capabilities, furthering the bot's popularity.

Voicebot: Ramco's voice assistant is taking interactions one step further by allowing users to do everything from planning their schedules to checking their payslips or approving pending transactions by using just voice commands.

Outlook as the new UI: With users spending a substantial amount of time on their email box, we have made actionable messages on Outlook possible, where transactions can be completed right from an email or chat window. CHIA can read events on a user's Outlook calendar and prompt them to fill in timesheets, raise travel requests, or alert them to their next assignment. The entire ecosystem of suppliers, customers, and partners can be connected to the ERP system without the need for any additional app.





Leveraging AI and ML to prepare for the future

Ramco leverages the data collected by businesses and helps them make intelligent decisions. From bringing up the right data choices for universal validation, to preventing financial damage by catching errors and fraud, enterprise applications are getting intelligent with AI and ML capabilities. As a result, our customers have witnessed significant cost and resource savings. For instance, one of our aviation clients saw 0.25 million in FTE savings per annum, and invoice processing, previously done manually, became four times faster! We believe that AI should be like melted butter - it should work without being seen. AI can detect when a customer is overpaying for a part and automatically suggest a better, alternate vendor. Or, it can let managers know who in their team might turn up late on Monday morning because of a Radiohead concert the previous night! The possibilities are immense.

There are hundreds – or even thousands of examples of processes in a business that can be made smarter and easier through the use of machine learning and AI. At Ramco, our aim is to leverage AI to simplify and automate the most commonly used enterprise scenarios making ERP Smarter.

Ensuring workplaces stay safe

Our innovations with frictionless computing are making workplaces safe again.

Touchless employee experience: The COVID-19 pandemic has shown just how much workplace transactions will change in the future. Attendance systems like biometric devices or swipe cards carry the risk of spreading infections. Manual screening of temperatures is hardly scalable. Once the lockdown is lifted, organizations will want to ensure workplace safety which a touchless employee experience solution will assure. This year, we added thermal screening to Ramco Facial recognition based Attendance, to help organizations move towards a truly touchless attendance. With IoT integrations across turnstiles, kiosks and doors, we have created an experience where no door needs to be touched

ever again. We have integrated mitigation measures with thermal screening to restrict access to employees, notify HR, or auto-apply leave for them based on a company's policies.

Know what happens in real-time - ANA

Ramco has embedded event-driven notification by triggering alerts and recommending actions as and when things happen within its enterprise application. Managers know immediately what needs to be approved, vendors get notified as soon as their shipment is delivered and finance teams get alerted when payment is received. The use cases possible with Ramco's Event Notification engine (ANA) are endless. With notifications enabled on multiple form factors, every user can take advantage of role-based notifications and always be ON, no matter where in the world they are.

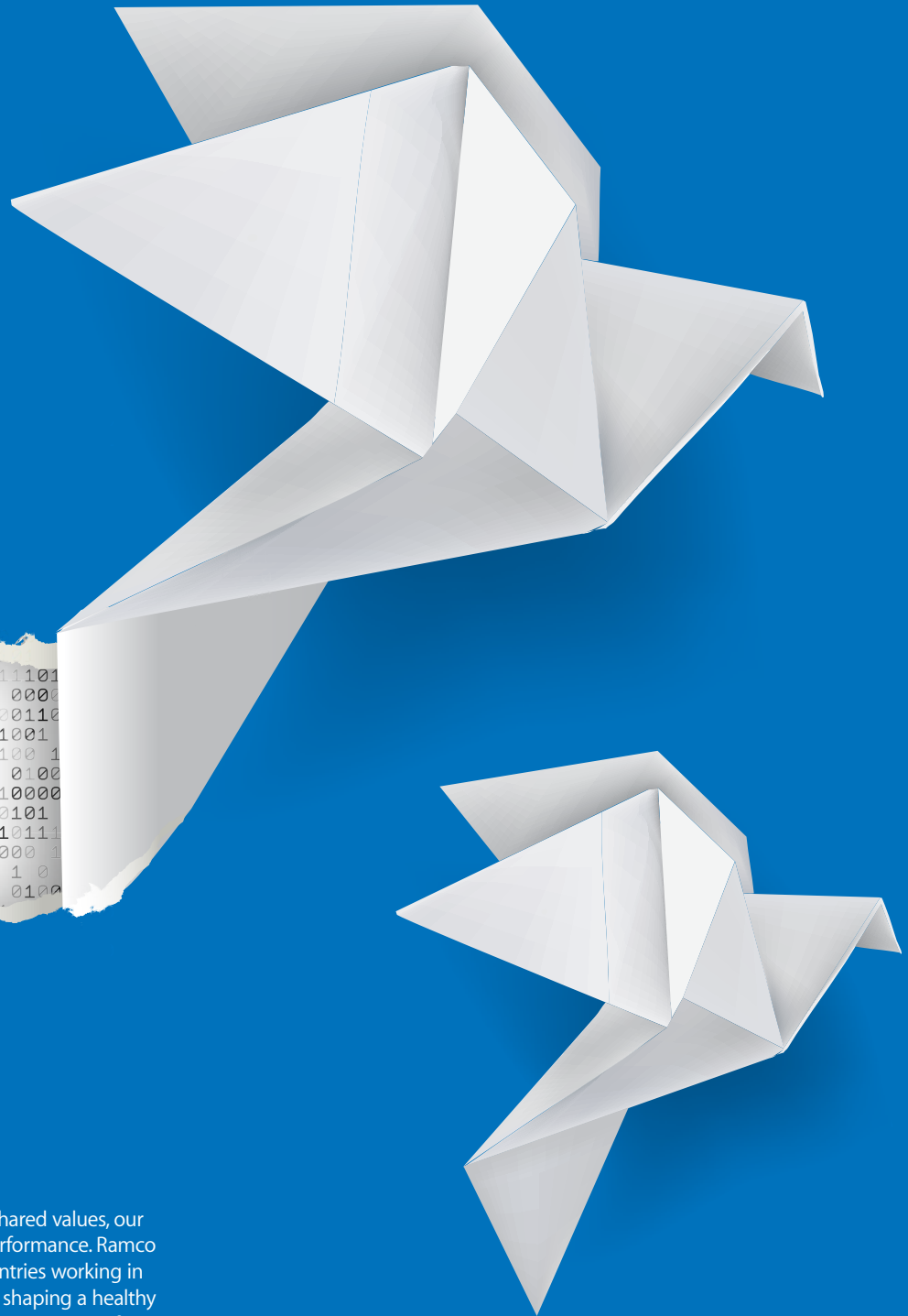
A system that really knows you – universal personalization

Technology performs at its best when it understands the user intuitively, which is what we at Ramco are enabling with our Universal Personalization Engine (UPE). Think of this as the barista at your favorite cafe. The Barista knows your usual orders and as soon as you walk into the cafe, they ask, "A large Americano as usual?" Based on your transaction history, the enterprise system will auto prompt you with the most commonly chosen selection with an option to drop down and view additional options based on transaction history, thus reducing the need to type or scroll over a long menu. With UPE we have simplified users' interactions with the system by providing them with their most-used options up-front, saving them time and frustration involved in having to select from too many choices.

At Ramco, we believe that digital transformation requires truly understanding the objective behind undertaking digital transformation. Whether it is for giving operations a boost, saving costs and time, or increasing employee productivity, Ramco sets the stage for digital transformation in organizations and makes tangible, meaningful results possible.

CULTURE

Uniting even
the most diverse



Corporate culture starts with the people — our shared values, our work attitudes, and the standards we apply to performance. Ramco is a family of about 2,000 employees from 17 countries working in unity towards a single vision and mission. We are shaping a healthy gender parity in our organization, with women forming 38% of our workforce.

#LifeAtRamco is a mélange of policies that puts employees first, which is made possible by,

- providing opportunities for self-growth
- ensuring the availability of nutritious food
- focusing on a work-life balance
- making working spaces safe and comfortable
- emphasizing on physical and mental wellbeing
- providing rewards and recognition

Healthy inside, healthy outside

At Ramco, we believe in exceptional customer service, and for us, our employees are our first customers. Their health and wellbeing are at the forefront of our culture-related discussions. We have many programs in our office premises that encourage a healthy lifestyle — from Zumba classes to high power Cross-Fit sessions to yoga rejuvenation. Creating a healthy work environment also means helping employees manage their stress and exhaustion. What better way to refresh and rejuvenate than a spa session at one's desk! Chirapsia is Ramco's initiative, where employees can book themselves a therapeutic experience with trained professionals.

To help employees eat right, our offices are equipped with healthy snack dispensing machines. This year, we saw the Ramco Food Ambassadors (RFA) come together to enhance the experience at our in-house eateries, TGIM and Fika. RFA has representatives from different business units who democratically oversee menu approvals, craft special meals, conduct quality checks, inspect kitchens and monitor feedback.

Students for life

Continuous learning is deeply embedded in our culture and our loaded monthly learning schedules stand testimony to this. This year we took this paradigm to a whole new level with Learning at Work Week – a week-long learning carnival with technical and people-oriented sessions. In 29 sessions planned over five days, the event saw over 900 participants with 3,000 hours of learning. The skills imparted included Python, AI/ML, project management, and emotional intelligence, among others. We also revamped our learning portal, Ramco Academy, with innovative learning features

and a mobile app for on-the-go learning. We have structured our programs for L1 and L2 certifications and enhanced our leadership development programs for mid and senior-level employees. Overall, we had over 200 programs during the year which saw the participation of over 1400 employees and aided in accomplishing more than 58,000 training hours across our 15 offices.

It is no small feat to have a consistent customer satisfaction score and this called for a celebration. Customer Success Day saw over 30 internal project teams showcase their achievements and success stories in creative formats. Awards were presented for innovation, project execution and popular projects judged by audience votes. This open house event not only boosted employee morale but also facilitated an organization-wide transmission of information, ideas and innovations.

We work continuously to attract top talent in the tech space. Our 24-hour Hackathon, Lord of The Codes, was one such initiative. Our office was buzzing with high energy, with over 120 young professionals, some fresh out of college, presenting creative solutions to some of the most complex technology challenges faced in the real-world.

We also inaugurated the CEO Club this year, an initiative to attract, develop and retain future leaders and subject matter experts. We recognized star performers who went above and beyond their assigned roles to understand the business on a deeper level and strove to make a lasting impact. The chosen ones were sent to a sponsored Executive Development Program at IIM Bangalore.





Work hard, play harder

We believe wholeheartedly in this at Ramco. This is why we give our employees a healthy dose of opportunities to exercise their passions.

Ramco got its first-ever Book Club this year, with the promise of new beginnings and endless stories. This initiative was taken at all our locations where the club members meet periodically to exchange books, thoughts and experiences. We also saw some solid sporting action with our flagship events like Ramco Futsal League, Ramco Badminton Championship and Ramco Chess-Off. Ramco TREATS is our initiative to bring smiles even outside the office. We have collaborated with spas, salons, fitness clubs, healthcare institutions and restaurants that offer discounts and value-added offers to our employees. We also conducted a free eye check-up on

our premises. To make our employees feel more confident and hone their interpersonal skills, we invited industry experts to conduct grooming sessions.

This year, we observed the ZERO Waste Week to increase awareness on environmental issues and drive green behavior in our offices. As a result, we saw employees adopt green practices with a steep decline in the waste generated at work. We also set up an internal blogging platform, Ramco Xchange, where employees discuss trending topics and share vetted content. Some of the most exciting sections on the blog include fun at work, leadership messages and SBU specific spaces.

With these employee-centric benefits, development opportunities and engagement initiatives, there can be little doubt as to why our employees say, "Thank God It's Monday!"

DIVIDEND AND APPROPRIATIONS

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "SEBI LODR") the Board approved and adopted the Dividend Distribution Policy and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/dividend-distribution-policy/>.

Your Directors have decided to conserve the funds for future growth opportunities and had not recommended any dividend for the FY 2019-20. Hence no appropriations have been made to general reserves.

CAPITAL STRUCTURE

During the year, the issued and paid up capital of the Company has increased upon exercise of stock options by various option grantees and allotment of shares pursuant to the same. The issued and subscribed capital of the Company stood at Rs.309.52 Mln. and paid up capital stood at Rs.306.39 Mln. as on March 31, 2020 as against Rs.309.42 Mln. and Rs.306.28 Mln. respectively in the previous year. The Securities Premium has also increased to Rs.6,585.58 Mln. from Rs.6,580.62 Mln. other than this, the Company has not made any fresh issue of shares or convertible securities during the year.

The number of shares and date on which such allotments were made by the Company under various Employee Stock Option Schemes ("ESOS") are given below:

Particulars	No. of equity shares (face value of Rs.10 per share)
Paid up Opening as at March 31, 2019	30,592,822
April 17, 2019	4,574
June 14, 2019	898
October 30, 2019	420
December 26, 2019	1,064
February 27, 2020	3,403
Paid up Closing as at March 31, 2020	30,603,181

DEPOSITORY SYSTEM

Your Company's shares are in compulsorily tradable securities in electronic form. As on March 31, 2020, 99.60% of the Company's total paid up capital representing 30,481,231 shares are in dematerialised form. To avoid fraud/delicacy of shares, the Members holding shares in physical mode are advised to avail of the facility of dematerialisation from either of the depositories.

CREDIT RATING

During the year, ICRA Limited, the credit rating agency has reaffirmed the following ratings for Rs.2,145 Mln. Line of Credit of the Company. The details of said revision in the rating is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/IntimationUR30Reg-Credit-Rating.pdf>.

Facility	Rs. Mln.	Rating
Long term fund based/CC (Reaffirmed)	350.00	A- (Positive)
Long term Fund based/Term Loan (Assigned)	100.00	A- (Positive)
Short term fund based facilities (Reaffirmed/Assigned)	1,375.00	A2+
Short term non-fund based facilities (Reaffirmed/Assigned)	305.00	A2+
Unallocated (Reaffirmed)	15.00	A- (Positive) /A2+
Total	2,145.00	

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MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with Regulation 34 of SEBI LODR, the Management Discussion and Analysis is set out in this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Your Company is one of the Top 1000 listed entities as per Market Capitalisation data issued by Stock Exchanges as on March 31, 2020. In accordance with Regulation 34 of SEBI LODR, all listed entities whose securities are coming under Top 1000 listed entities, have to comply with the additional requirement of disclosure viz., Business Responsibility Report ("BRR"), which should contain disclosures/details, describing the initiatives taken by the Company from an environmental, social and governance perspective. The BRR has been prepared and is set out in this Annual Report.

INFORMATION ON SUBSIDIARIES AND ASSOCIATE

Your Company has fourteen (14) subsidiaries and one (1) associate entity as on March 31, 2020. In accordance with Section 129(3) of the Act, read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statement of our subsidiaries and associate and their contribution to the overall performance of the Company are available in FORM AOC-1 (is enclosed as Annexure I to the Board's Report) and Statutory group information (under note no. 30 to the consolidated financial statements).

The Audit Committee reviews the financial statements of subsidiaries, including the investments made in the subsidiaries, if any, on a quarterly basis. During the year, Company has incorporated a step-down subsidiary in Macau - Ramco Systems Macau Limited, which is a wholly owned subsidiary of Ramco Systems Pte. Ltd., Singapore and Ramco Systems Pte. Ltd., is in turn a Wholly Owned Subsidiary of Ramco Systems Limited, India.

Material Subsidiaries

Ramco Systems Corporation, USA and Ramco Systems Pte. Ltd., Singapore are identified as material subsidiaries of the Company for FY 2019-20 (based on the financials of FY 2018-19). In accordance with Regulation 24 of SEBI LODR, Mr. M M Venkatachalam, Independent Director of the Company was appointed as a Director of Ramco Systems Corporation, USA, a material subsidiary whose income exceeded 20% of the consolidated income of the Company in the FY 2018-19 and continues to be on the Board as on date of this Report. Based on the financials of FY 2019-20, none of the subsidiary entities are falling under the threshold limit of 20%. In accordance with Regulation 46(2) of SEBI LODR, the policy for determining material subsidiaries formulated by the Board is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/ramco-material-subsi-dary-policy.pdf> .

Consolidated Financial Statements

In accordance with Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act") and Regulation 33 and 34 of SEBI LODR, the consolidated financial statements incorporating the accounts of subsidiary companies and associate company along with the Auditors' Report thereon is set out in this Annual Report and are available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/investor-information/annual-reports/> .

As per Section 136(1) of the Act, separate audited / reviewed accounts in respect of the subsidiary companies are also made available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/investor-information/subsidiary-financials/> .The Company shall provide a copy of the same to any Member of the Company who asks for it.

BOARD OF DIRECTORS

As on March 31, 2020, your Board comprises of eight (8) Directors. Out of which, four (4) are Independent Directors including an Independent Woman Director, three (3) Non-Executive Non-Independent Directors and an Executive Director. Chairman of the Board is a Non-Executive Non-Independent Director.

Mr. P R Venketrama Raja, (DIN:00331406), Chairman is a Promoter Director and Mr. P V Abinav Ramasubramaniam Raja, Manager designated as Whole Time Director belongs to Promoter Group.

During the year, Mr. Sankar Krishnan (DIN:01597033), who was co-opted by the Board of Directors as an Additional Director in the category of Non-Executive Non-Independent Director with effect from May 22, 2019 was appointed as a Non-Executive Non-Independent Director liable to retire by rotation, by the Members at the Annual General Meeting (“AGM”) held on August 08, 2019.

The Company had formulated a Code of Conduct for the Directors and Senior Management personnel and the same has been complied with.

Retirement by Rotation & Re-Appointment

In accordance with Section 152 of the Act and Articles of Association of the Company, Mr. A V Dharmakrishnan (DIN:00693181) retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM of the Company.

A brief resume of the Director being re-appointed, the nature of expertise in specific functional areas, names of companies in which he holds Directorships, Committee Memberships/ Chairpersonships, his shareholding in the Company, etc., have been furnished in the explanatory statement to the notice of the ensuing AGM.

Independent Directors

During the year, Members at the 22nd AGM held on August 08, 2019 have appointed Justice Mr. P P S Janarthana Raja (Retd.) (DIN:06702871), as an Independent Director for a term of 5 years with effect from August 29, 2018 and Mrs. Soundara Kumar (DIN:01974515), as an Independent Director for a second term of 5 years with effect from March 27, 2020.

The Company had issued letter of appointment in accordance with Regulation 46 of the SEBI LODR, the terms and conditions of appointment of Independent Directors are available at the Company’s website at the following weblink: <https://www.ramco.com/investor-relations/independent-directors-terms-of-appointment.pdf> .

Declaration by Independent Directors

Independent Directors of the Company provide declarations, both at the time of appointment and annually.

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act and SEBI LODR. Independent Directors have also complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

In accordance with Companies (Appointment & Qualification of Directors) Fifth Amendment Rules, 2019, Company has received declarations from Independent Directors confirming that they have registered with the Independent Directors Data Bank through Indian Institute of Corporate Affairs.

Information on familiarisation program to Independent Directors is provided in the Corporate Governance Report section of this Annual Report.

Details of Remuneration to Directors

Details as required under the Act, in respect of remuneration paid to Directors, are given as part of Annual Return in Annexure VII to the Board’s Report.

Number of Meetings of the Board

Your Board met four times during the FY 2019-20, the details of which are given in the Corporate Governance Section of this Annual Report. The gap between any two Meetings was within the period prescribed in the Act and SEBI LODR.

Board Committees

The Board has following Committees during the FY 2019-20:

- a. Audit Committee
- b. Stakeholders Relationship Committee
- c. Nomination and Remuneration Committee

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- d. Corporate Social Responsibility Committee
- e. Allotment Committee
- f. Fund Raising Committee

In accordance with Section 177(8) of the Act, the composition of the Audit Committee comprises of Mrs. Soundara Kumar, Chairperson of the Committee, Mr. M M Venkatachalam, Mr. A V Dharmakrishnan, Mr. Sankar Krishnan, Mr. R S Agarwal and Justice Mr. P P S Janarthana Raja (Retd.).

A detailed note on the composition of the Board and Committees along with other disclosures are provided in the Corporate Governance Report Section of this Annual Report.

Diversity

Your Company recognises the importance of a diverse Board for its success and believes that a diverse Board will leverage inter alia differences in thought, skills and industry experience, which in the long run will enhance shareholder value.

Board Evaluation

In accordance with the provisions of the Act and SEBI LODR, Board has carried out a separate exercise to evaluate the performance of the Board as a whole, its Committees, individual Directors and the Chairperson of the Board by taking into account the criteria laid down in this regard by the Nomination and Remuneration Committee like attendance, expertise, contribution etc., brought in by the Directors at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of Independent Director.

A structured questionnaire was prepared covering various aspects including the following but not limited to adequacy of the composition of the Board and its Committees, flow of information, Board culture/Diversity, execution and performance of specific duties, obligations and governance.

In accordance with Regulation 25(4) of the SEBI LODR, 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.

In accordance with Regulation 17(10) of SEBI LODR, the Board of Directors has evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

In accordance with Regulation 4(2) of SEBI LODR, the Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year under review were similar to their observations of the previous years. No specific actions have been warranted based on current year observations. The Company would continue to familiarise its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

Policy on Directors' Appointment and Policy on Remuneration

In accordance with Section 134 and 178 of the Act, the Policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP and other employees are outlined as part of Nomination and Remuneration Policy of the Company and salient features of the same are disclosed in this report.

'Nomination and Remuneration Committee' (NRC Committee) of your Board had fixed the criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limit, qualification/experience, areas of expertise and independence of the individual.

Your Company's current policy is to have an appropriate mix of Independent & Non-Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

Remuneration Policy

In accordance with Section 178 of the Act, the NRC Committee of your Board has formulated the Nomination and Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel and other employees of your Company. The Nomination and Remuneration Policy ensures 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 NRC Committee has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Independent Directors of the Company. It recommends to the Board the compensation payable to Directors. Director's compensation is approved by the Members of the Company.

Your Company follows a compensation mix of fixed pay, benefits and performance based variable pay for its employees, which is based on the performance of the business and the individual performance of the individuals is measured through annual appraisal process.

The Whole Time Director is paid remuneration by way of salary, benefits and allowances in addition to entitlement of sitting fee for attending the Meetings. Non-Executive Directors are paid remuneration by way of sitting fees based on their participation in the Meetings. Remuneration paid to Directors is within the scale approved by the Board and Members subject to overall ceilings stipulated under Section 197 of the Act. Sitting fees are being paid to Directors for attending the Board Meeting, Audit Committee and Independent Directors Meetings.

As per Proviso to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. The objective of the Policy is to ensure that:

- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and senior management shall be appropriate to the working of the Company and its goals; and
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

The composition of the Nomination and Remuneration Committee is in compliance with the Act and SEBI LODR. During the year, there has been no change in the Nomination and Remuneration policy and the said policy is available at the Company's website at the following weblink: <https://www.ramco.com/investor-relations/ramco-nomination-and-remuneration-policy.pdf>.

KEY MANAGERIAL PERSONNEL

During the year, Mr. P R Karthic, Company Secretary & Compliance Officer has resigned with effect from the close of business hours of October 11, 2019. The Board, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Vijaya Raghavan N E as Company Secretary & Compliance Officer with effect from February 14, 2020.

KMPs of your Company as on March 31, 2020 as follows:

Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director

Mr. Virender Aggarwal, Chief Executive Officer (Employee of Ramco Systems Pte. Ltd., Singapore, a subsidiary of the Company)

Mr. R Ravi Kula Chandran, Chief Financial Officer

Mr. Vijaya Raghavan N E, Company Secretary & Compliance Officer

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DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- a. that the financial statements for the year ended March 31, 2020 have been prepared in conformity with Indian Accounting Standards (Ind AS) and requirements of the Act, and that of guidelines issued by SEBI, to the extent applicable to the Company 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 March 31, 2020 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 the 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.

CORPORATE GOVERNANCE

Corporate Governance is a process that aims to allocate corporate resources in a manner that maximises value for all Stakeholders.

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company places high emphasis on business ethics and ensures best practices throughout the business and in its disclosures. Your Directors always strive to follow good Corporate Governance practices in the Company to enhance long term shareholder value. Corporate Governance Report for the FY 2019-20 is set out in this Annual Report.

The requisite certificate from the Secretarial Auditors confirming compliance with the conditions of Corporate Governance as stipulated under SEBI LODR is annexed to the Corporate Governance Report.

A Compliance Report on applicable compliances of SEBI Circular, Notifications and Regulations etc., issued by Secretarial Auditors being filed with stock exchanges in the prescribed format.

EQUAL OPPORTUNITY

Your Company believes in transparency and providing equal opportunities in the employment. Your Company's offices across the globe have multi-cultural and multi-national employees. Your Company prevents harassment of any kind based on age, gender, race or any other basis protected by law.

The Company has a Policy on Prevention and Redressal of Sexual Harassment in place in accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there was no complaint received and no complaint pending for disposal as on March 31, 2020. Pursuant to Rule 8(5) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

During the year 10,359 options were exercised in 5 tranches by eligible employees/option grantees of the Company and its Subsidiaries pursuant to exercise of Stock options under ESOS 2008, ESOS 2013 and ESOS 2014 schemes of the Company. No employee was granted options/shares during the year, equal to or exceeding 1% of the issued capital.

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:

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

During the FY 2019-20, there has been no change in the Schemes of the Company except that the validity of ESOP 2000 and ESOS 2003 schemes expired. It is confirmed that the Schemes of the Company are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The relevant disclosures in terms of the Act and in accordance with the said Regulations are enclosed as Annexure II to the Board's Report. The Company does not have any Scheme for issue of sweat equity to the employees or Directors of the Company.

A certificate from Statutory Auditors, with respect to implementation of the above Employee Stock Option Schemes in accordance with SEBI Regulations and the resolution passed by the Members of the Company, will be available electronically for inspection by the Members during 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. The disclosure required to be made under SEBI (Share Based Employee Benefits) Regulations, 2014 is available in the Company's website at the following weblink: <https://www.ramco.com/investor-relations/investor-information/other-compliances/>.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures with respect to the remuneration of Directors, KMP and Employees in accordance with Section 197(12) of the Act read with Rule 5(1) (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure III to the Board's Report.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

In accordance with Section 134(5) of the Act, the Company has Internal Financial Control Policies by means of policies & procedures commensurate with size and nature of operations. The Company's policies, procedures & standards are developed to uphold internal controls across the organisation. These controls ensure transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The controls were tested during the year and no material weakness exists.

Audit Committee of the Board, periodically reviews the internal audit plans and observations/recommendations of Internal and Statutory Auditors. 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.

RISK MANAGEMENT POLICY

In accordance with Section 134(3)(n) of the Act and Regulation 17(9) of SEBI LODR, 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. The policy is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/Risk-Management-Policy.pdf>. Details on the Company's risk management framework/strategy also further discussed in the Company's MDNA. In the opinion of the Board, there is no element of risk which may threaten the existence of the Company/its operations.

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RELATED PARTY TRANSACTIONS (RPT)

The Company has formulated a policy on materiality of RPT and also on dealing with RPT. The said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/ramco-related-party-transaction-policy.pdf>.

Prior approval / omnibus approval have been obtained from Audit Committee for all RPTs and these transactions are periodically placed before the Audit Committee for its review/approval. All RPTs that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant transactions with related parties during the year that may have potential conflict with the interests of the Company at large or that requires approval of the Members. 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.

AUDITORS

Statutory Auditor

Your Company at its 20th AGM held on August 04, 2017 had appointed M/s. Jagannathan & N.Krishnaswami, Chartered Accountants, (FRN:001208S) as the Statutory Auditors of the Company to hold office from the conclusion of 20th AGM till the conclusion of the 25th AGM of the Company to be held in the calendar year 2022.

In accordance with Sections 139 and 141 of the Act and relevant Rules prescribed there under, the Company has received certificate from the Statutory Auditors to the effect that have confirmed they are eligible to continue as Auditors. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

SEBI, vide its Circular No: CIR/CFD/CMD1/114/2019 dated 18th October 2019, has directed the listed entities / material subsidiaries, to include the conditions as mentioned in Clauses 6(A) and 6(B) of the said circular, in terms of appointment of the Statutory Auditors at the time of appointment or in case the Auditors have already been appointed, the terms of appointment to be suitably modified.

In this regard, your Company has issued Addendum letter dated March 11, 2020 to the original letter of appointment dated August 11, 2017 to Statutory Auditors including the following required amendments, viz., terms of resignation, terms of issuing limited review/audit report, approaching the Chairman of Audit Committee in certain cases etc.

Internal Auditor

Your Board had appointed M/s. SRSV & Associates, Chartered Accountants, (FRN:015041S) as the Internal Auditors of the Company to conduct Internal Audit for the FY 2019-20. The Internal Auditors reports directly to the Audit Committee and make presentations at the Audit Committee Meeting(s) on the Internal Audit Report.

Your Board has re-appointed M/s. SRSV & Associates, Chartered Accountants, Chennai as the Internal Auditors of the Company for the FY 2020-21.

Secretarial Auditor

Your Board had appointed, M/s. S.Krishnamurthy & Co., Company Secretaries, to conduct the Secretarial Audit of the Company. The Company had received required declarations/consents from the Secretarial Auditors confirming that they are not disqualified and eligible to be continued as Secretarial Auditors.

Cost Auditor

In accordance with Section 148 of the Act, Maintenance of cost records and requirement of cost audit are not applicable to the business activity carried out by the Company.

Opinion/Reports

The Statutory Auditors, Secretarial Auditors, Internal Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

The Statutory Audit Report in the prescribed format issued by Statutory Auditors is provided in this Annual Report.

The Secretarial Auditor's Report in the prescribed format issued by the Secretarial Auditors is enclosed as Annexure IV to the Board's Report.

The Reports issued by them for the FY 2019-20, do not contain any qualification, reservation or adverse remark or disclaimer.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In Compliance with section 135 of the Act, the Board of Directors have constituted a CSR Committee and adopted a CSR Policy, in accordance with Schedule VII of the Act. Your Company was required to spend Rs.12.21 Mln. towards CSR activities during the year under review and the same was spent in full during the year. Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure V to the Board's Report.

Your Company's CSR Committee comprises of Mr. P R Venketrama Raja, (DIN:00331406), Chairman, Mr. M M Venkatachalam (DIN:00152619), Director and Mr. A V Dharmakrishnan (DIN:00693181), Director. The Committee is responsible for formulating, monitoring and implementing the CSR policy of the Company. In accordance with Section 135(4) of the Act, the major contents of CSR policy are as follows:

Concept: The Company's philosophy on CSR is that "as the organisation grows, the society and community around it should also grow".

Vision: The Company's vision is to contribute to the social and economic development of the communities in which it operates, resulting in building a better and sustainable way of life for the society at large.

Objectives: The objective of the CSR Policy is to :

- a. Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its Stakeholders.
- b. To generate, through its CSR initiatives, a community goodwill for RSL and help reinforce a positive & socially responsible image of RSL as a corporate entity.

Implementation Process:

The CSR initiatives shall be undertaken by the Company as per its stated CSR Policy as Projects or Programmes or Activities (either new or ongoing).

The CSR activities may be undertaken through a registered trust or a registered society or a Company established by the Company or its subsidiary or associate Company or through any other trust, society or Company which shall have an established track record of 3 years in undertaking similar programmes or projects.

Your Company's social initiatives are carried out by Abhinava Vidyatheertha Seva Trust.

In addition to the above, CSR Policy also includes Applicability, Objectives, Areas of Initiatives, Budget, CSR Reporting etc., and the said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/corporate-social-responsibility-policy/> .

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Act and Regulation 22 of the SEBI LODR, the Company has established a Vigil Mechanism and has a Whistle Blower Policy and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/ramco-whistle-blower-policy.pdf> .

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Further disclosure/information about the Vigil Mechanism and Whistle Blower Policy are discussed in Corporate Governance Report Section of this Annual Report.

POLICY ON PRESERVATION OF DOCUMENTS AND ARCHIVAL OF DOCUMENTS

In accordance with Regulation 9 read with Regulation 30(8) of SEBI LODR, your Board has framed a Policy on Preservation of documents and Archival of documents. This is intended to provide guidelines for the retention of records and preservation of relevant documents for a duration after which the documents shall be archived. This said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/Policy-on-Preservation-of-Documents-and-Archival-of-Documents.pdf> .

SUSTAINABILITY INITIATIVES

Your Company is in the space of providing technological solutions. Your Company's contribution towards sustainability is continuous in nature as is reflected throughout/forms an integral part of our business. The Company aims to reduce its carbon footprint by using energy conservation equipments/other control measures. Your Company has digitalised internal communications with virtual Meetings through tele/audio-conferencing that bring down Meeting-related travel and other costs considerably.

Your Company is future-ready by proactively encouraging Innovative thinking across the organisation and going digital.

OTHER DISCLOSURES

Deposits: During the year, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act and no deposits are outstanding as at the end of financial year;

Secretarial Standards: Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings;

Nature of Business: During the year, there was no change in nature of business of the Company or any of its subsidiaries;

Significant and Material Orders: During the year, there are no such orders passed by Regulators/Courts/Tribunals, impacting the going concern status and the Company's operations in future;

Loans, Guarantees or Investments: Disclosures on the same in accordance with Section 186(4) of the Act and SEBI LODR are provided under Note Nos. 8, 9.1, 28 and 31 of separate (standalone) financial statements;

Contracts or Arrangements with Related Parties: Particulars of the same as referred in Section 188(1) of the Act, in the prescribed Form AOC-2 is enclosed as Annexure VI to the Board's Report.

Annual Return: In accordance with Section 92(3) of the Act, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 and 134(3) of the Act, an extract of the annual return in the prescribed format is enclosed as Annexure VII to the Board's Report. In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS 4), a copy of the Annual Return has been placed on the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/investor-information/annual-return/> ;

Conservation of Energy: The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3) of the Act, read with the Companies (Accounts) Rules, 2014, is enclosed as Annexure VIII to the Board's Report;

Material Changes and Commitments: No material changes and commitments affecting the financial position of the Company occurred between April 1, 2020 and the date of signing this report except the Global pandemic COVID-19. Due to the outbreak of COVID-19 and the lockdown announced by various governments across the Globe. Our operations were affected and this had an impact on our global order booking and revenue. However, this was not materially significant for the FY 2019-20. Further deliberations on COVID-19 are provided under MDNA and Note Nos. 35 & 31 of separate (standalone) & consolidated financial statements respectively;

Investor Education and Protection Fund (IEPF): In accordance with Section 124 of the Act, scenario for transfer of amount of unclaimed/unpaid dividend or corresponding shares to IEPF does not arise;

Committee Recommendations: During the year, recommendations of all the Committee constituted by the Board in accordance with the Act were accepted by the Board;

Differential Rights: The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

Health, Safety and Environmental Protection: Your Company is committed to provide a safe, healthy and conducive environment to all of its employees and associates.

GREEN INITIATIVES

Your Company being in the industry of Information Technology, Green Initiative is embedded in the Company's culture and throughout its business operations.

Keeping next step towards a Greener Planet for future generations and in furtherance of digitisation Commitment to Go-Green initiative of the Government, the Company started using digital mechanism to conduct Board/Committee Meeting(s) as per the provisions of law and as part of this step, circulating the agenda, notes and other supporting documents of the Board/Committee Meetings through a secured electronic platform for ease of access to Directors for their review and consideration, thereby reducing usage of papers to a limited purpose.

AWARDS AND RECOGNITIONS

Your Company continued its excellence in its chosen area of business to set a tone at the top. Rewards and recognition achieved by the Company globally during this year are provided under MDNA Section of this Annual Report.

APPRECIATIONS

Your Directors place on record their appreciation for the Contributions made by employees towards the success of your Company. Your Directors gratefully acknowledge the co-operation and support received from the Members, Customers, Vendors, Bankers, Regulatory/Governmental Authorities in India and abroad.

By order of the Board
For **RAMCO SYSTEMS LIMITED**

P R VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : June 19, 2020

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. Min.

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)	
																B/S	P/B
Ramco Systems Corporation, USA	2019-20	USD	105.74	835.12	1,634.29	693.43	-	962.91	180.90	(119.49)	300.37	77.89	378.26	-	98%	75.05	70.21
	2018-19		105.74	456.86	1,239.76	677.17	0.43	1,189.66	216.28	7.59	210.69	24.00	234.69	-		68.78	69.19
Ramco Systems Ltd., Switzerland	2019-20	CHF	29.33	174.14	221.52	18.05	-	65.57	18.28	1.72	16.56	22.38	38.94	-	100%	77.57	70.54
	2018-19		29.33	135.20	177.85	13.33	-	26.04	4.59	-	-	4.59	2.28	6.87	-		68.61
Ramco Systems Sdn. Bhd, Malaysia	2019-20	MYR	18.22	(210.20)	381.35	573.33	-	246.13	(131.87)	-	(131.87)	(7.49)	(139.36)	-	100%	17.88	17.23
	2018-19		18.22	(70.84)	394.68	447.31	-	338.96	(90.80)	-	(90.80)	(0.49)	(91.29)	-		17.17	17.28
Ramco Systems Pte. Ltd., Singapore	2019-20	SGD	1,511.75	(1,455.45)	1,378.09	1,321.79	-	910.22	(65.00)	(21.39)	(57.61)	(7.75)	(65.36)	-	100%	52.41	51.00
	2018-19		1,116.08	(1,380.09)	787.15	1,061.17	-	653.14	(257.64)	0.55	(258.19)	0.19	(257.99)	-		50.48	50.80
RSL Enterprise Solutions (Pty) Ltd., South Africa	2019-20	ZAR	99.02	(67.97)	46.85	15.80	-	128.48	0.38	-	0.38	(4.22)	(3.84)	-	100%	4.10	4.87
	2018-19		99.02	(64.13)	85.44	50.55	-	92.45	(5.33)	-	(5.33)	(7.26)	(12.59)	-		4.62	5.02
Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	2019-20	CAD	0.43	25.57	43.84	17.84	-	15.72	4.93	1.32	3.61	0.77	4.38	-	98%	52.65	52.53
	2018-19		0.43	21.19	37.64	16.02	-	16.56	7.83	0.84	0.84	6.99	(0.05)	6.94	-		50.65
Ramco Systems FZLLC, Dubai	2019-20	AED	0.62	565.59	1,155.56	589.35	-	432.37	63.05	-	63.05	47.91	110.96	-	100%	20.03	18.74
	2018-19		0.62	454.64	1,071.42	616.16	-	530.05	23.05	-	23.05	28.73	51.78	-		18.36	18.47
R S L Software Co. Ltd., Sudan	2019-20	SDG	2.08	(11.57)	8.53	18.02	-	-	(1.57)	-	(1.57)	0.65	(0.92)	-	100%	1.36	1.52
	2018-19		2.08	(10.66)	4.18	12.76	-	-	(11.24)	-	(11.24)	9.70	(1.54)	-		1.45	2.84
Ramco Systems Australia Pty Ltd, Australia	2019-20	AUD	795.24	(1,179.34)	539.07	923.17	-	427.44	(306.31)	-	(306.31)	35.20	(273.11)	-	100%	45.86	47.70
	2018-19		526.13	(906.23)	562.70	942.80	-	450.82	(292.95)	-	(292.95)	11.66	(281.08)	-		48.32	50.31
Ramco System Inc., Philippines	2019-20	PHP	17.44	181.66	796.33	597.23	-	610.60	12.15	6.31	5.84	28.67	34.51	-	100%	1.48	1.37
	2018-19		17.44	147.15	620.22	455.63	-	531.58	92.99	28.71	64.28	7.48	71.76	-		1.31	1.32
Ramco Systems (Shanghai) Co. Ltd., China	2019-20	CNY	10.41	6.19	97.64	81.04	-	112.72	6.13	1.54	4.59	0.64	5.24	-	100%	10.54	10.06
	2018-19		10.41	0.95	35.83	24.47	-	35.35	7.30	0.40	6.90	(0.30)	6.61	-		10.18	10.28
Ramco System Vietnam Company Limited, Vietnam	2019-20	VND	16.44	(13.17)	7.80	4.53	-	0.36	(11.91)	-	(11.91)	0.69	(11.22)	-	100%	0.0032	0.0031
	2018-19		16.44	(1.95)	19.38	4.90	-	4.22	0.20	-	0.20	0.25	0.45	-		0.0030	0.0031
PT. Ramco Systems Indonesia, Indonesia	2019-20	IDR	16.28	(35.07)	32.48	51.27	-	36.00	(24.44)	-	(24.44)	0.79	(23.65)	-	100%	0.0046	0.0050
	2018-19		16.28	(11.43)	19.74	14.89	-	13.82	(8.40)	-	(8.40)	0.51	(7.89)	-		0.0049	0.0049
Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)	2019-20	MOP	-	(0.49)	-	0.49	-	-	(0.49)	-	(0.49)	-	(0.49)	-	100%	9.4917	9.4917
	2018-19		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		NA	NA

Rs. Mln.

Part B - Associate company:

Name of the Associate	Latest audited Balance Sheet Date	Shares of Associate held by the company 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 February 29, 2020		Considered in consolidation	Not considered in consolidation
		No. of Shares	Amount of investment			Extent of Holding %	Profit / Loss for the year		
CityWorks (Pty) Ltd., South Africa	February 28, 2019	600	0.003	30%	Not Applicable	14.99	6.85	2.06	4.79

As per our report annexed For M S JAGANNATHAN & N KRISHNASWAMI Chartered Accountants Firm Registration No. 001208S K SRINIVASAN Partner Membership No.: 021510 Tiruchirappalli	P R VENKETRAMA RAJA Chairman Chennai	SOUNDARA KUMAR Director Coimbatore
	P V ABINAV RAMASUBRAMANIAM RAJA Whole Time Director Chennai	R RAVI KULA CHANDRAN Chief Financial Officer Chennai
	VIRENDER AGGARWAL Chief Executive Officer Singapore	N E VIJAYA RAGHAVAN Company Secretary Chennai

Date : June 19, 2020

DETAILS OF EMPLOYEE STOCK OPTION PLANS / SCHEMES

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

At the Extra-Ordinary General Meeting held on August 28, 2000, the Members had approved an issue of 160,000 stock options, convertible into equity shares of Rs.10 each under Employee Stock Option Plan, 2000. The Nomination and Remuneration Committee (erstwhile Compensation Committee - hereinafter referred to as "Compensation Committee/ Nomination and Remuneration Committee" appropriately for this annexure), in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed a detailed scheme.

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

(a) Amendments approved at the Extra-Ordinary General Meeting held on September 29, 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 AGM held on July 27, 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 March 31, 2020:

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)
April 12, 2001	126,150	2 to 3 years	254 per option	11,750 shares*	Nil
December 14, 2003	67,700	3 years	254 per option**	19,950 shares	Nil
October 04, 2006	87,500	3 years	177 per option***	Nil	Nil

* 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., April 23, 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 April 23, 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 April 09, 2003, the Members had approved an issue of 500,000 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, (as amended from time to time) 1999, framed a detailed scheme. Further, the Members had approved certain amendments to ESOS 2003 at the Extra-Ordinary General Meetings held on September 29, 2006 and July 27, 2007, as mentioned in (A) above.

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

Details of options granted, vested and exercised as on March 31, 2020:

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)
December 14, 2003	464,500	3 years	284 per option*	37,975 shares*	Nil
December 01, 2005	9,200	3 years	266 per option	Nil	Nil
October 04, 2006	219,800	3 years	177 per option	Nil	Nil
July 14, 2007	101,100	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 i.e., April 23, 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 April 23, 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 December 24, 2004, the Members had approved an issue of 900,000 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, (as amended from time to time) 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 Members have approved the following amendments to the ESOS 2004:

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

1. The number of shares underlying the aggregate options that may be granted was increased to 1,200,000 equity shares of Rs.10 each from 900,000 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.

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(b) Amendments approved at the AGM held on July 27, 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 March 31, 2020:

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)
December 01, 2005	100,000	4 years	315 per option	Nil	Nil
October 04, 2006	747,350	4 years	177 per option	1,500 shares	Nil
July 14, 2007	300,500	4 years	163 per option	Nil	Nil
October 31, 2007	162,000	4 years	156 per option	Nil	Nil
February 06, 2008	20,000	4 years	165 per option	Nil	Nil
August 07, 2008	20,750	4 years	100 per option	Nil	Nil

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

At the Extra-Ordinary General Meeting held on September 18, 2008, the Members had approved, an issue of 1,200,000 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, (as amended from time to time) 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 April 11, 2009. The options were surrendered vide Letter of Release dated May 05, 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 April 11, 2009, 1,128,875 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.)
June 25, 2012	50,000	143 per share
August 23, 2012	25,000	138 per share
November 07, 2012	50,000	125 per share
July 29, 2013	95,000	87 per share
March 07, 2014	65,000	241 per share
March 27, 2014	20,000	204 per share

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 i.e., April 23, 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 April 23, 2014	Revised price (Rs.)	Revised no. of options
ESOS 2008	53	291,023	51	305,306
	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 2019-20”, 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 Members at the Twelfth AGM held on August 05, 2009, have approved, an issue of 500,000 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 100,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

At the Meeting of the Compensation Committee held on October 27, 2009, 20,000 stock options were granted to Mr. 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 December 22, 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 March 02, 2010, 382,220 stock options were granted to the eligible employees, at an exercise price of Rs.94 per option.

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During the FY 2012-13, the Compensation Committee amended the key features of the ESOS 2009 - Plan A under the powers granted by the Members resolution passed on August 05, 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 130,000 options to eligible employees of the Company on May 17, 2012. Out of the 130,000 options, 60,000 options were granted to Mr. 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 Mr. 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 FY 2013-14, the Compensation Committee granted 5,000 options on May 31, 2013 at an exercise price of Rs.10 per share to Mr. 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 FY 2014-15, the Compensation Committee granted the following stock options on August 08, 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
Mr. Virender Aggarwal, CEO	356	25,000
Other employees	356	105,000

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 i.e., April 23, 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 April 23, 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	191,431	90	200,878
	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 FY 2019-20”, given at the end of this Annexure.

ESOS 2009 – Plan B:

The Members at the Twelfth AGM held on August 05, 2009, have approved, an issue of 750,000 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 150,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

At the Meeting of the Compensation Committee held on March 02, 2010, 573,330, 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 FY 2012-13, the Compensation Committee amended the key features of the ESOS 2009 - Plan B under the powers granted by the Members resolution passed on August 05, 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 May 17, 2012. Out of the 85,000 options, 25,000 options were granted to Mr. 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 Mr. 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 FY 2014-15, the Compensation Committee granted the following stock options on August 08, 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
Mr. A V Dharmakrishnan, Non-Executive Director	10	18,750
Mr. Virender Aggarwal, CEO	10	25,000
Mr. R Ravi Kula Chandran, CFO	10	6,250
	356	6,250
Other Employees	10	131,250
	356	113,750

Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 i.e., April 23, 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	295,210	90	309,750
	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 FY 2019-20”, given at the end of this Annexure.

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

The Members at the Sixteenth AGM held on July 29, 2013, have approved, an issue of 1,000,000 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 200,000 options per year and 400,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

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

Mr. A V Dharmakrishnan, Non-Executive Director: 37,500 @ Rs.155 each and 18,750 @ Rs.356 each

Mr. Virender Aggarwal, CEO: 50,000 @ Rs.155 each

Mr. R Ravi Kula Chandran, CFO: 12,500 @ Rs.155 each

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Other Employees: 20,500 @ Rs.10 each, 513,750 @ Rs.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 FY 2015-16, the Nomination and Remuneration Committee in its meeting held on May 11, 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 FY 2019-20”, given at the end of this Annexure.

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

The Members vide postal ballot dated September 12, 2014 have approved, an issue of 1,000,000 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 200,000 options per year and 400,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

During the FY 2015-16, the Nomination and Remuneration Committee had granted the following no. of stock options on various dates viz., August 05, 2015, November 21, 2015, February 09, 2016 and March 04, 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 FY 2016-17, the Nomination and Remuneration Committee had granted the following stock options on various dates viz., April 29, 2016, June 17, 2016, August 02, 2016, August 30, 2016 and November 08, 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 FY 2017-18, the Nomination and Remuneration Committee had granted the following stock options on various dates viz., May 29, 2017, July 21, 2017, September 11, 2017, October 13, 2017, November 02, 2017, December 15, 2017, January 16, 2018 and March 08, 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.

During the FY 2018-19, the Nomination and Remuneration Committee had granted the following stock options on various dates viz., June 14, 2018 and October 04, 2018 at various exercise prices viz., 20,000 stock options @ Rs.10 each, 20,000 stock options @ Rs.163 each, 20,000 stock options @ Rs.186 each, 10,000 stock options @ Rs.326 each and 10,000 stock options @ Rs.372 each.

During the FY 2019-20, the Nomination and Remuneration Committee had granted the following stock options on various dates viz., April 17, 2019 and October 30, 2019 at various exercise prices viz., 12,500 stock options @ Rs.10 each, 12,500 stock options @ Rs.80 each, 12,500 stock options @ Rs.120 each, 6,250 stock options @ Rs.160 each and 6,250 stock options @ Rs.240 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 FY 2019-20”, given at the end of this Annexure.

Table 1 – Option movement during the FY 2019-20:

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 period	102,026	118,838	161,615	418,945	268,106	257.82
2.	Number of options granted during the year	-	-	-	-	50,000	102.50
3.	Number of options forfeited / lapsed during the year	1,368	5,255	8,446	5,000	39,715	216.33
4.	Number of Options vested during the year	-	-	-	-	79,786	N.A.
5.	Number of options exercised during the year	1,678	-	-	-	5,181	20.03
6.	Number of shares arising as a result of exercise of options	1,678	-	-	-	5,181	N.A.
7.	Money realised by exercise of options (Rs.), if scheme is implemented directly by the Company	85,578	-	-	-	51,810	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	98,980	113,583	153,169	413,945	273,210	254.35
10.	No. of options exercisable at the end of the year	98,980	113,583	153,169	413,945	192,756	277.65
11.	Method of calculation of employee compensation cost	Fair Value, using Black Scholes Merton model					
12.	Fair value of the options for the year 2019-20 (using Black Scholes Merton model)	Rs.9.18 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 recognised 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 or is less than the market price of the stock	Weighted average exercise price per option is Rs.254.35 Weighted average fair value per option is Rs.274.30					
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 Ltd., on the date of exercise of options (the date of allotment of shares by the Allotment Committee) for the year ended March 31, 2020 was Rs.181.58					

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17.	Range of Exercise Prices & Weighted Average remaining contractual life	Sl. No.	Particulars	As at March 31, 2020		
				No. of Options Outstanding	Range of Exercise Prices (Rs.)	Weighted Average remaining contractual life (years)
		1.	ESOS 2008	98,980	51 to 230	6.16
		2.	ESOS 2009 - Plan A	113,583	10 to 356	6.42
		3.	ESOS 2009 - Plan B	153,169	10 to 356	5.90
		4.	ESOS 2013	413,945	10 to 696	7.50
		5.	ESOS 2014	273,210	10 to 1066	11.60
Assumptions used during the year to estimate the fair value of options are given below:						
i)	Weighted Average Market price	Rs.382.60				
ii)	Weighted Average Exercise Price	Rs.254.35				
iii)	Weighted Average Stock Volatility	11.81%				
iv)	Weighted Average Risk Free Interest Rate (%)	7.80				
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 the FY 2019-20 (all grants under ESOS 2014) to:						
a.	Key Managerial Personnel	Nil				
b.	Employees who received a grant in the year amounting to 5% or more of options granted during the year	Mr. Baskaran B (Senior Director): 25,000 Options (6,250 @ Rs.10 each, 12,500 @ Rs.80 each and 6,250 @ Rs.160)				
		Mr. Sridhar Radhakrishnan (Chief Strategy Officer): 25,000 Options (6,250 @ Rs.10 each, 12,500 @ Rs.120 each and 6,250 @ Rs.240)				
c.	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 : June 19, 2020

P R VENKETRAMA RAJA
CHAIRMAN

Annexure III

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 (“WTD”) / Manager, Directors, Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Company Secretary (“CS”) during the FY 2019-20:

Name of Director / KMP	Category / Designation	Remuneration of Director / KMP for FY 2019-20 (Rs. Mln.)	% Increase / (Decrease) in Remuneration in the FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
Mr. P R Venketrama Raja	Chairman / Non-Executive & Promoter Director	0.12	0.00%	0.25:1
Mr. M M Venkatachalam	Non-Executive & Independent Director	0.21	0.00%	0.44:1
Mr. A V Dharmakrishnan	Non-Executive & Non-Independent Director	0.24	0.00%	0.51:1
Mr. R S Agarwal	Non-Executive & Independent Director	0.27	0.00%	0.57:1
Mrs. Soundara Kumar	Non-Executive & Independent Director	0.27	0.00%	0.57:1
Mr. Sankar Krishnan	Non-Executive & Non-Independent Director	0.18	0.00%	0.38:1
Justice Mr. P P S Janarthana Raja (Retd.)	Non-Executive & Independent Director	0.27	0.00%	0.57:1
Mr. P V Abinav Ramasubramaniam Raja	WTD	1.43	0.00%	3.02:1
Mr. R Ravi Kula Chandran	CFO	7.51	21.04%	N.A.
Mr. P R Karthic (upto October 11, 2019)	CS	0.50	Not Comparable since left during mid of the year.	N.A.
Mr. Vijaya Raghavan N E (w.e.f. February 14, 2020)	CS	0.20	Not Comparable since joined during the end of the year.	N.A.

Notes: Mr. Virender Aggarwal, CEO is an employee of Ramco Systems Pte. Ltd. Singapore, a subsidiary of the Company, where his remuneration for FY 2019-20 was USD 1.19 Mln. (Rs.83.64 Mln.) and the percentage increase in FY 2019-20 was 25.79%. He did not draw any remuneration from Ramco Systems Limited, India. Hence, his remuneration is not considered for the purposes of arriving at the figures in Points (iii) and (iv) below.

iii) The median remuneration of employees of the Company during the financial year was Rs.472,830 and the percentage increase in the median remuneration was 6.32%.

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- (iv) There were 1,621 permanent employees on the rolls of Company and 1,888 permanent employees including those in the subsidiaries as on March 31, 2020.
- (v) Average percentage increase in salaries of employees other than the managerial personnel (i.e. WTD) in the FY 2019-20 was 12.31% (12.85%, if the perquisite value of stock options exercised is not considered) whereas there was no increase in the managerial remuneration (i.e. WTD) in the FY 2019-20.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and 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 FY 2019-20 and was in receipt of remuneration, in the aggregate, not less than Rs.10.20 Mn. per annum:

Name	Designation	Remuneration including retirals (Rs. Mn.)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company	No of shares held and % of holding
Mr. Rohit Mathur	Senior Vice President & SBU Head – HRP	13.93	B.E., MBA (18)	October 16, 2012	44	Capgemini India Private Limited	10,631 0.03%
Mr. Hari Krishnan V	Vice President - Middle East and North Africa	13.08	M.Com., ICWA (28)	June 04, 2007	47	Tally (India) Private Limited	11051 0.04%
Mr. Meetesh Jain	Senior Manager - Projects	8.31	PGDBA, PGDFM, AME (15)	April 07, 2017	39	NIIT Technologies Limited	Nil
Mr. Raghvendra Tripathi	Vice President	7.97	B.Tech., MBA (22)	June 25, 2013	49	Satyam Computer Services Ltd.	19,239 0.06%
Mr. R Ravi Kula Chandran	CFO	7.51	B.Com., CA (33)	February 01, 2002	58	General Signal India Private Limited	42,455 0.14%
Mrs. Shailaja Unnikrishnan	Associate Director	6.68	B.Sc., MCA (21)	January 07, 2007	45	Frontline Information Technology LLC	Nil
Mrs. Shyamala Jayaraman	Senior Vice President - ERP	6.39	B.E. (29)	February 14, 1991	51	PSI Data Systems Ltd.	24,564 0.08%
Mr. Viswanathan K A	Vice President	6.27	B.Sc. (27)	May 21, 2007	47	Talent Maximus India Private Limited	4,458 0.01%
Mr. Anand P	Associate Director	6.18	B.E. (20)	October 07, 2010	42	IBS Software Services Private Limited	Nil
Mr. Mohan Madhurakavi V K (Though joined during the year, considered here since appearing in the top 10 list.)	Vice President - Digital Innovation & Consulting	6.00	B.Tech.(BHU), MBA (32)	May 13, 2019	58	SAP, Singapore	Nil

(iii) Employed for a part of the FY 2019-20 and was in receipt of remuneration, at a rate which, in the aggregate, not less than Rs.0.85 Mn. per month:

Name	Designation	Remuneration including retirs (Rs. Mn.)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company	No of shares held and % of holding
Mr. Sridhar R	Chief Strategy Officer	10.81	CA,CMS,CS, IFRS-ACCA, UK (21)	March 08, 2019	44	Maersk Global Service Centres (India) Private Limited	Nil

NOTES:

- All appointments are contractual.
- 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.
- None of the employees mentioned above is related to any Director of the Company except Mr. 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, Mr. P R Venketrama Raja.
- 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 : June 19, 2020

P R VENKETRAMA RAJA
CHAIRMAN

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2020

[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, P.S.K. 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 1st April 2019 to 31st March 2020 (*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 31st March 2020 but before the issue of this audit 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 31st March 2020**, 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 the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements set-out hereunder.
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2020 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, the Company's compliance with the said applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements are as set-out hereunder.
- 1.3 The Company has generally complied with the following:
 - (i) The Companies Act, 2013, 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (vii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (viii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (*Agreements*) read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').
 - (ix) The Software Technology Park (STP) Scheme, based on Foreign Trade Policy of the Department of Commerce, Ministry of Commerce and Industry, Government of India, which is specifically applicable to the Company's STP unit in Chennai.
 - (x) Secretarial Standards – 1 (SS-1) on Meetings of the Board of Directors, and Secretarial Standards – 2 on General Meetings, issued by the Institute of Company Secretaries of India, to the extent applicable to the Board meetings and General meeting held during the year.
- 1.4 The Company **was not required to comply with** the following on account of non- applicability / non-occurrence of any relevant event during the year:
- (i) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of External Commercial Borrowings;
 - (ii) 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 clients;
 - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
 - (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (vi) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - (vii) Secretarial Standards on Dividend (SS-3) (non-mandatory) issued by the Institute of Company Secretaries of India; and
 - (viii) Secretarial Standards on Report of the Board of directors (SS-4) (non-mandatory) issued by the Institute of Company Secretaries of India.

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 Companies Act, 2013 (*the Act*), and SEBI LODR.
- (b) As on 31st March 2020, the Board has:
 - (i) 1 (one) Executive Director;
 - (ii) 3 (three) Non-Executive Non-Independent Directors; and
 - (iii) 4 (four) Non-Executive Independent Directors, including 1 (one) Independent Woman director.

Ramco Systems Limited, INDIA

- (c) The following changes took place in the composition of the Board of Directors during the year, in compliance with the applicable provisions of the Act, and SEBI LODR:
- (i) Re-appointment of Shri M M Venkatachalam (DIN:00152619) and Shri R S Agarwal (DIN:00012594) as Independent Directors, for a second term of 5 (five) consecutive years from 1st April 2019 to 31st March 2024, as approved by the members at the 21st Annual General Meeting (AGM) held on 3rd August 2018.
 - (ii) Cessation of Shri Sankar Krishnan (DIN: 01597033) as an Independent Director on 22nd May 2019, consequent to his engagement as an advisor in a Promoter Group Company.
 - (iii) Appointment of Shri Sankar Krishnan (DIN: 01597033) as an Additional Director (Non-Executive, Non Independent) on 22nd May 2019; and his appointment as a Non-Executive, Non-Independent Director liable to retire by rotation, at the 22nd AGM held on 8th August 2019.
 - (iv) Re-appointment of Shri P R Venketrama Raja (DIN: 00331406) as a director, upon retirement by rotation at the 22nd AGM held on 8th August 2019.
 - (v) Appointment of Justice Shri P P S Janarthana Raja (Retired) (DIN: 06702871) as an Independent Director, for a term of 5 (five) consecutive years from 29th August 2018 to 28th August 2023, which was approved by the members at the 22nd AGM held on 8th August 2019.
 - (vi) Re-appointment of Smt. Soundara Kumar (DIN: 01974515) as an Independent Director, for a second term of 5 (five) consecutive years, from 27th March 2020 to 26th March 2025, which was approved by the members at the 22nd AGM held on 8th August 2019.

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 atleast 7 (seven) days in advance.
- (b) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which 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 audited accounts / results / unaudited financial results and connected papers; 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 its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company should take steps to further strengthen the compliance systems and processes, especially with regard to its wholly-owned foreign subsidiaries, commensurate with the expanding business operations and continuously 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, regulations and standards:

(a) Allotment of shares under ESOP

An aggregate of 10,359 Equity Shares of Rs.10/- each were allotted for cash, at the applicable exercise prices, to eligible employees of the Company, under various Employees Stock Option Schemes (ESOP).

(b) Overseas Direct Investment by way of loans to subsidiaries

Loans were given to wholly-owned subsidiaries as follows:

- (i) SGD 72,80,000 to Ramco Systems Pte. Ltd., Singapore
- (ii) AUD 50,25,000 to Ramco Systems Australia Pty Ltd, Australia
- (iii) AED 5,50,000 to Ramco Systems FZ-LLC, Dubai
- (iv) USD 7,60,000 to Ramco Systems Sdn. Bhd., Malaysia
- (v) USD 1,20,000 to Ramco System Inc., Philippines

For S. KRISHNAMURTHY & CO.,
Company Secretaries

K. SRIRAM
Partner

Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312B000358501

Place : Chennai
Date : 19th June 2020

Ramco Systems Limited, INDIA

Annexure – 1 to the Secretarial Audit Report of even date

To,

The Members,

Ramco Systems Limited [CIN: L72300TN1997PLC037550]

47, P.S.K. Nagar, Rajapalayam – 626 108.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2020 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 2020 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, wherever there was scope for multiple interpretations.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. KRISHNAMURTHY & CO.,
Company Secretaries

K. SRIRAM
Partner

Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312B000358501

Place : Chennai
Date : 19th June 2020

Annexure V

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The objective of the CSR Policy 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 (hereinafter referred to as "RSL") RSL and help reinforce a positive & socially responsible image of RSL as a corporate entity.

Web link to the CSR Policy: <http://www.ramco.com/investor-relations/Corporate-Social-Responsibility-Policy.pdf> .

Your Company is one among the leading software product provider in the Information, Communications & Technology industry. CSR vision of the Company is empowerment through promoting education and special education. The Company's social investment is accordingly aligned to the attainment of this overall vision.

The Company proposed to undertake CSR projects/implement through Shri Abhinava Vidyatheertha Seva Trust.

- The composition of the CSR Committee:
 - Mr. P R Venketrana Raja
 - Mr. M M Venkatachalam
 - Mr. A V Dharmakrishnan
- Average net profit of the Company for the last three FY's (2016-17 to 2018-19) = Rs.610.68 Mln.
- Prescribed CSR expenditure = Rs.12.21 Mln. (2% of the amount as in item 3 above)
- Details of CSR spent during the FY 2019-20
 - Total amount spent for the financial year = Rs.12.21 Mln.
 - Amount unspent, if any = Nil
 - The manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) local area or other (2) specify the State and District, where projects or programmes were undertaken	Amount of outlay (Budget) projects or programmes - wise Rs.	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads Rs.	Cumulative expenditure upto the reporting period Rs.	Amount spent - direct or thro implementing agency Rs.
1	Promoting education, including special education and employment enhancing vocation skills, especially, among children, women, elderly and the differently abled and livelihood enhancement projects (Clause (ii)) - Schedule VII	Education	In and around the Registered Office and Corporate Office	12,210,000	12,210,000	12,210,000	Thro Agency - Shri Abhinava Vidyatheertha Seva Trust

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

P R VENKETRAMA RAJA
CHAIRMAN OF CSR COMMITTEE

M M VENKATACHALAM
DIRECTOR

Place : Chennai
Date : June 19, 2020

Particulars of contracts/arrangements made with related parties

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014- AOC-2)

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts/arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification for entering into such contracts or arrangements or transactions
- f. Date(s) of approval by the Board
- g. Amount paid as advances, if any:
- h. Date on which the resolution was passed in general meeting as required under first proviso to section 188

Not applicable since there were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2020 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts/arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any:
- e. Date(s) of approval by the Board, if any:
- f. Amount paid as advances, if any:

Not applicable since there were no material contracts or arrangements or transactions entered into during the financial year ended March 31, 2020.

All related party transactions are in the ordinary course of business and on arm's length basis and are approved by Audit Committee of the Company.

For and on Behalf of the Board

Place : Chennai
Date : June 19, 2020

P R VENKETRAMA RAJA
CHAIRMAN

EXTRACT OF ANNUAL RETURN**Form No. MGT - 9**

for the financial year ended on March 31, 2020

[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	February 19, 1997
(iii)	Name of the Company	Ramco Systems Limited
(iv)	Category/Sub-Category/Class of the Company	Company Limited by Shares/Non-Government/Public Company
(v)	Address of the Registered office and contact details	47, PSK Nagar, Rajapalayam - 626 108 Phone: +91 4563 235688 Email: secretarial@ramco.com
(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 Fax: +91 44 2846 0129 Email: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	Computer Programming, Consultancy and related activities	620	100
2.	Hosting and related activities	631	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Ramco Systems Corporation 136, Main Street, Ste 305, Princeton, NJ 08540 USA	N.A.	Subsidiary	98%	2(87)
2.	Ramco Systems Ltd. Dorfplatz 3, CH – 4418, Reigoldswil Switzerland	N.A.	Subsidiary	100%	2(87)

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Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
3.	Ramco Systems Pte. Ltd. 79 Anson Road, #15-04/05 Singapore – 079906	N.A.	Subsidiary	100%	2(87)
4.	Ramco Systems Sdn. Bhd. 3B-5-3, Block 3B, Level 5 Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur – 50470 Malaysia	N.A.	Subsidiary	100%	2(87)
5.	RSL Enterprise Solutions (Pty) Ltd No 5, Walnut Road, 2 nd Floor, Smart Xchange Building, Durban-4000, South Africa - PO No: 1228	N.A.	Subsidiary	100%	2(87)
6.	Ramco Systems Canada Inc. 25 th Floor, 666 Burrard Street, Vancouver, BC V6C 2X8, Canada	N.A.	Subsidiary of Sl. No.1	100% held by Sl. No. 1	2(87)
7.	Ramco Systems FZ-LLC Suite No.210, 2 nd Floor, BT Building, EIB 04, Dubai Internet City, P O Box : 500189, Dubai – U.A.E.	N.A.	Subsidiary	100%	2(87)
8.	R S L Software Co. Ltd. House number 306, Second Floor, Block 21, Riyadh, Khartoum, Sudan	N.A.	Subsidiary	100%	2(87)
9.	Ramco Systems Australia Pty Ltd Level 17, 60, City Road, Southbank, Melbourne, VIC 3006, Australia	N.A.	Subsidiary	100%	2(87)
10.	Ramco System Inc. 17 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas Makati, (Pty.) 1227 Metro Manila, Philippines	N.A.	Subsidiary	100%	2(87)
11.	Ramco Systems (Shanghai) Co. Ltd. Unit No. 336 Suite B, Floor 3 No 99 Gongping Road, Hongkou District, Shanghai	N.A.	Subsidiary	100%	2(87)
12.	PT Ramco Systems Indonesia The Executive Center, Suite 28 at Level 30, South Tower, Sampoerna Strategic Square, Jl. Jend. Sudirman Kav. 45-46, South Jakarta 12930, Indonesia	N.A.	Subsidiary	100%	2(87)
13.	Ramco System Vietnam Company Limited Room 24, 16 th Floor, Saigon Tower, 29 Le Duan Boulevard, District 1, Ho Chi Minh City	N.A.	Subsidiary	100%	2(87)
14.	Ramco Systems Macau Limited Block G, 14 th Floor, China Plaza, No. 762-804 Avenida da Praia Grande, Macao	N.A.	Subsidiary of Sl. No. 3	100% held by Sl. No. 3	2(87)
15.	CityWorks (Pty.) Ltd. No 5, Walnut Road, 3 rd Floor, SmartXchange Building, Durban-4001, South Africa	N.A.	Associate of Sl. No.5	30% held by Sl. No.5	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2019)			% of Total Shares	No. of Shares held at the end of the year (March 31, 2020)			% 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) Regulation, 2015 & SEBI (SAST) Regulations, 2011)									
(a) Promoter									
(1) Indian									
(a) Individual/HUF	3,353,366	-	3,353,366	10.96	3,353,366	-	3,353,366	10.96	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s).	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (a) (1)	3,353,366	-	3,353,366	10.96	3,353,366	-	3,353,366	10.96	-
(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	1,177,795	-	1,177,795	3.85	1,183,795	-	1,183,795	3.87	0.02
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s).	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	12,204,679	-	12,204,679	39.89	12,204,679	-	12,204,679	39.88	(0.01)
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (b) (1)	13,382,474	-	13,382,474	43.74	13,388,474	-	13,388,474	43.75	0.01
(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)	16,735,840	-	16,735,840	54.70	16,741,840	-	16,741,840	54.71	0.01

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Category of Shareholders	No. of Shares held at the beginning of the year (April 01,2019)			% of Total Shares	No. of Shares held at the end of the year (March 31, 2020)			% of Total Shares	% of Change during the Year
	Demat	Physical	Total		Demat	Physical	Total		
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	3,158,287	300	3,158,587	10.32	3,951,431	300	3,951,731	12.91	2.59
(b) Banks/FI	55,300	150	55,450	0.18	49,578	150	49,728	0.16	(0.02)
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s).	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	477,358	-	477,358	1.56	377,630	-	377,630	1.23	(0.33)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others									
(a) Foreign Portfolio Investor (Corporate)	2,967,563	-	2,967,563	9.70	1,457,294	-	1,457,294	4.76	(4.94)
(b) Alternate Investment Funds	287,116	-	287,116	0.94	-	-	-	-	(0.94)
Sub-Total (B) (1)	6,945,624	450	6,946,074	22.70	5,835,933	450	5,836,383	19.06	(3.64)
(2) Non- Institutions									
(a) Bodies Corp.									
i. Indian	642,355	559	642,914	2.10	471,959	559	472,518	1.54	(0.56)
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs.1 lakh	2,988,401	89,235	3,077,636	10.06	3,778,204	88,624	3,866,828	12.64	2.58
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2,061,140	28,217	2,089,357	6.83	2,523,569	28,217	2,551,786	8.34	1.51
(c) Others (Specify)									
Clearing Member	20,212	-	20,212	0.07	43,529	-	43,529	0.14	0.07
Foreign Nationals	10,178	4,100	14,278	0.05	10,178	4,100	14,278	0.05	-
Hindu Undivided Families	339,891	-	339,891	1.11	412,535	-	412,535	1.35	0.24
Non Resident Indians	726,620	-	726,620	2.38	663,484	-	663,484	2.17	(0.21)
Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	6,788,797	122,111	6,910,908	22.60	7,903,458	121,500	8,024,958	26.23	3.63
Total Public Shareholding (B)= (B) (1) + (B) (2)	13,734,421	122,561	13,856,982	45.30	13,739,391	121,950	13,861,341	45.29	(0.01)
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30,470,261	122,561	30,592,822	100.00	30,481,231	121,950	30,603,181	100.00	0.00

(ii) Shareholding of Promoters / Promoter Group:
(a) Promoter

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (As on April 01, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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.	Mr. P R Venketrama Raja	3,353,366	10.96	-	3,353,366	10.96	-	-
	Total	3,353,366	10.96	-	3,353,366	10.96	-	-

(b) Promoter Group

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year (As on April 01, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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.	Ramco Industries Limited	5,467,376	17.87	-	5,467,376	17.87	-	-
2.	The Ramco Cements Limited	5,417,810	17.71	-	5,417,810	17.70	-	(0.01)
3.	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-	12,739	0.04	-	-
4.	Mrs. Nalina Ramalakshmi	322,649	1.05	-	322,649	1.05	-	-
5.	Mrs. Sarada Deepa	254,567	0.83	-	254,567	0.83	-	-
6.	Mrs. R Sudarsanam	290,615	0.95	-	290,615	0.95	-	-
7.	Mrs. P V Nirmala	11,902	0.04	-	17,902	0.06	-	0.02
8.	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-	110,332	0.36	-	-
9.	Mrs. B Srisandhya Raju	110,670	0.36	-	110,670	0.36	-	-
10.	Mrs. R Chittammal	77,060	0.25	-	77,060	0.25	-	-
11.	Ramco Agencies Private Limited	1,388	0.01	-	1,388	0.01	-	-
12.	Ramco Private Limited	3,713	0.01	-	3,713	0.01	-	-
13.	Rajapalayam Mills Limited	733,531	2.40	-	733,531	2.40	-	-
14.	Ramco Management Private Limited	300	-	-	300	-	-	-
15.	Ramco Industrial and Technology Services Limited	567,822	1.86	-	567,822	1.86	-	-
	Total	13,382,474	43.74	-	13,388,474	43.75	-	0.01

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

Sl. No.	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
	No. of Shares at the beginning (April 01, 2019) / end of the year (March 31, 2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	3,353,366	10.96	April 01, 2019	-	-	3,353,366	10.96
	3,353,366	10.96	March 31, 2020				

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(b) Promoter Group

1.	13,382,474	43.74	April 01, 2019				
			June 17, 2019	6,000	Purchase	13,388,474	43.75
	13,388,474	43.75	March 31, 2020				

(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 (April 01, 2019)/ end of the year (March 31, 2020)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		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	1,383,900	4.52	April 01 2019				
		1,383,900	4.52	March 31, 2020				
1b.	HDFC Trustee Company Limited-HDFC Balanced Advantage Fund Fund	863,500	2.82	April 01 2019				
		863,500	2.82	March 31, 2020				
2.	J O Hambro Capital Management Umbrella Fund PLC J O Hambro Capital Management Asia Ex Japan Fund	832,136	2.72	April 01 2019				
				April 19, 2019	(65,707)	Sale	766,429	2.50
				April 26, 2019	(2,748)	Sale	763,681	2.50
				May 03 2019	(2,759)	Sale	760,922	2.49
				May 10, 2019	(8,267)	Sale	752,655	2.46
				May 24, 2019	(69,302)	Sale	683,353	2.23
				May 31, 2019	(86,892)	Sale	596,461	1.95
				July 07 2019	(102,796)	Sale	493,665	1.61
				June 14, 2019	(93,823)	Sale	399,842	1.31
				September 06 2019	(973)	Sale	398,869	1.30
				September 13, 2019	(12,189)	Sale	386,680	1.26
				September 20, 2019	(6,091)	Sale	380,589	1.24
				September 27, 2019	(15,171)	Sale	365,418	1.19
				January 03 2020	(8,879)	Sale	356,539	1.17
				January 10, 2020	(4,044)	Sale	352,495	1.15
				January 24, 2020	(12,374)	Sale	340,121	1.11
				March 13, 2020	(731)	Sale	339,390	1.11
		March 20, 2020	(17,631)	Sale	321,759	1.05		
		March 31, 2020	(321,759)	Sale	-	-		
		March 31, 2020	321,759	Purchase	321,759	1.05		
		321,759	1.05	March 31, 2020				
3.	Goldman Sachs India Fund Limited	810,357	2.65	April 01 2019				
				May 31, 2019	(810,357)	Sale	-	-
		-	-	March 31, 2020				
4a.	Mr. Ravikumar Ramkishore Sanwalka	479,300	1.57	April 01 2019				
				April 12, 2019	3,600	Purchase	482,900	1.58
				May 03 2019	885	Purchase	483,785	1.58
				May 10, 2019	215	Purchase	484,000	1.58
				September 27, 2019	16,004	Purchase	500,004	1.63
				October 4, 2019	100	Purchase	500,104	1.63

Sl. No.	Name	No. of Shares at the beginning (April 01, 2019)/ end of the year (March 31, 2020)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				October 18, 2019	200	Purchase	500,304	1.64
				October 25, 2019	32	Purchase	500,336	1.64
				December 06 2019	500	Purchase	500,836	1.64
				January 24, 2020	(300)	Sale	500,536	1.64
				March 06 2020	300	Purchase	500,836	1.64
				March 13, 2020	922	Purchase	501,758	1.64
		501,758	1.64	March 31, 2020				
4b.	Mr. Ravi R Sanwalka	-	-	April 01 2019				
				September 27, 2019	1,100	Purchase	1,100	0.00
				November 01 2019	2,564	Purchase	3,664	0.01
		3,664	0.01	March 31, 2020				
5.	BT Funds Management Limited as Trustee of BT Asian Share Fund	477,358	1.56	April 01 2019				
				May 31, 2019	(32,808)	Sale	444,550	1.45
				July 19, 2019	(10,589)	Sale	433,961	1.42
				September 06 2019	(563)	Sale	433,398	1.42
				September 13, 2019	(7,063)	Sale	426,335	1.39
				September 20, 2019	(3,528)	Sale	422,807	1.38
				September 27, 2019	(8,788)	Sale	414,019	1.35
				October 18, 2019	(5,092)	Sale	408,927	1.34
				October 25, 2019	(1,831)	Sale	407,096	1.33
				December 27, 2019	(3,408)	Sale	403,688	1.32
				January 17, 2020	(4,323)	Sale	399,365	1.31
				February 07 2020	(3,208)	Sale	396,157	1.29
				February 21, 2020	(5,196)	Sale	390,961	1.28
				March 06 2020	(4,983)	Sale	385,978	1.26
				March 13, 2020	(2,612)	Sale	383,366	1.25
				March 20, 2020	(5,736)	Sale	377,630	1.23
		377,630	1.23	March 31, 2020				
6a.	Reliance Capital Trustee Co. Ltd- A/C Reliance Small Cap Fund	438,031	1.43	April 01 2019				
				April 26, 2019	450,000	Purchase	888,031	2.90
		888,031	2.90	March 31, 2020				
6b.	Reliance Capital Trustee Co. Ltd-A/C Nippon India Retirement Fund - Wealth Creation Scheme	-	-	April 01 2019				
				June 07 2019	728,300	Purchase	728,300	2.38
				June 14, 2019	74,100	Purchase	802,400	2.62
				June 21, 2019	13,600	Purchase	816,000	2.67
		816,000	2.67	March 31, 2020				
7a.	Sundaram Mutual Fund A/C Sundaram Small Cap Fund	403,594	1.32	April 01 2019				
				April 19, 2019	(403,594)	Sale	-	-
		-	-	March 31, 2020				

Ramco Systems Limited, INDIA

Sl. No.	Name	No. of Shares at the beginning (April 01, 2019)/ end of the year (March 31, 2020)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		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	28,000	0.09	April 01 2019				
				April 05 2019	(1,476)	Sale	26,524	0.09
				April 12, 2019	(3,304)	Sale	23,220	0.08
				April 19, 2019	(23,220)	Sale	-	-
		-	-	March 31, 2020				
8.	Al Mehwar Commercial Investments LLC - (JOHO)	379,548	1.24	April 01 2019				
		379,548	1.24	March 31, 2020				
9.	TFL Pension Fund	314,906	1.03	April 01 2019				
		314,906	1.03	March 31, 2020				
10.	Ashmore India Opportunities Fund	287,116	0.94	April 01 2019				
				June 07 2019	(2,000)	Sale	285,116	0.93
				October 25, 2019	(19,302)	Sale	265,814	0.87
				November 01 2019	(189,129)	Sale	76,685	0.25
				November 08 2019	(54,813)	Sale	21,872	0.07
				November 22, 2019	(21,872)	Sale	-	-
		-	-	March 31, 2020				
11.	Mr. Virender Aggarwal	224,583	0.73	April 01 2019				
		224,583	0.73	March 31, 2020				

* 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 (April 01, 2019) / end of the year (March 31, 2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. P R Venketrama Raja	3,353,366	10.96	April 01, 2019				
		3,353,366	10.96	March 31, 2020	-	-	-	-
2	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	April 01, 2019				
		110,332	0.36	March 31, 2020	-	-	-	-
3	Mr. A V Dharmakrishnan	170,692	0.56	April 01, 2019				
		170,692	0.56	March 31, 2020	-	-	-	-

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

(b) Shareholding of Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning (April 01, 2019) / end of the year (March 31, 2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Virender Aggarwal (Chief Executive Officer)	224,583	0.73	April 01, 2019				
		224,583	0.73	March 31, 2020	-	-	-	-
2	Mr. R Ravi Kula Chandran (Chief Financial Officer)	42,455	0.14	April 01, 2019				
		42,455	0.14	March 31, 2020	-	-	-	-
3.	Mr. P R Karthic (Company Secretary)*	-	-	April 01, 2019				
		-	-	March 31, 2020	-	-	-	-
4.	Mr. Vijaya Raghavan N E (Company Secretary)**	-	-	April 01, 2019				
		-	-	March 31, 2020	-	-	-	-

*Resigned as Company Secretary w.e.f. October 11, 2019

** Appointed as Company Secretary w.e.f. February 14, 2020

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	178.11	624.88	-	802.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	178.11	624.88	-	802.99
Change in Indebtedness during the financial year				
Addition	1,540.61	2,261.29	-	3,801.90
Reduction	1,356.07	2,321.78	-	3,677.86
Net Change	184.54	(60.49)	-	124.04
Indebtedness at the end of the financial year				
i) Principal Amount	362.65	564.39	-	927.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	362.65	564.39	-	927.03

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 Manager / WTD
		Mr. P V Abinav Ramasubramaniam Raja
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,080,000
	(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	86,400
4.	Contribution towards Superannuation Fund / NPS	108,000
5.	Medical Reimbursement	-
6.	Gratuity on accrual basis	34,620
7.	Sitting Fees	120,000
	Total (A)	1,429,020
	Ceiling as per the Act	See note below

Note: Mr. P V Abinav Ramasubramaniam Raja is the Managing Director of Ramco Industries Limited from June 4, 2017 from where he drew remuneration, subject to his aggregate remuneration drawn from both the Companies limited to the higher of 3% (from April 01, 2019 to June 03, 2019) and 5% (from June 04, 2019 to March 31, 2020) of the net profits of the Company or Ramco Industries Limited. His remuneration from Ramco Industries Limited, during that period was Rs.40,104,198/-.

B. Remuneration to Other Directors:

Rs.

Sl. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Mr. P R Venketrana Raja	Mr. M M Venkatachalam	Mr. A V Dharmakrishnan	Mr. R S Agarwal	Mrs. Soundara Kumar	Mr. Sankar Krishnan	Justice Mr. P P S Janarthana Raja (Retd.)	
1.	Independent Directors								
	Fee for attending Board /Committee Meetings	-	210,000	-	270,000	270,000	-	270,000	1,020,000
	Total (1)	-	210,000	-	270,000	270,000	-	270,000	1,020,000
2.	Other Non Executive Directors								
	Fee for attending Board /Committee Meetings	120,000	-	240,000	-	-	180,000	-	540,000
	Others - Stock options exercised during the year	-	-	-	-	-	-	-	-
	Total (2)	120,000	-	240,000	-	-	180,000	-	540,000
	Total (B) = (1+2)	120,000	210,000	240,000	270,000	270,000	180,000	270,000	1,560,000
	Overall Ceiling as per the Act	1% of the net profit of the Company, calculated as per Sec.198 of the Companies Act, 2013							6,227,100
Total Managerial Remuneration (A+B)*									2,989,020

*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	Mr. R Ravi Kula Chandran Chief Financial Officer	Mr. P R Karthic Company Secretary (upto October 11, 2019)	Mr. Vijaya Raghavan N E Company Secretary (from February 14, 2020)	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,988,317	478,730	185,036	7,652,083
	(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.	Stock Option granted / exercised during the year (in numbers)	-	-	-	-
3.	Others, Retirement benefits	519,768	25,176	19,744	564,688
	Total	7,508,085	503,906	204,780	8,216,771

Note: Mr. Virender Aggarwal, Chief Executive Officer is an employee of Ramco Systems Pte. Ltd. Singapore, a subsidiary of the Company, where his remuneration was USD 1.19 Mn. (Rs.83.64 Mn.) including USD 0.01 Mn. (Rs.0.67 Mn.) towards retrials. He did not draw any remuneration from Ramco Systems Limited, India.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on Behalf of the Board

Place : Chennai
Date : June 19, 2020

P R VENKETRAMA RAJA
CHAIRMAN

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 March 31,2020]

(A) Conservation of Energy:

- (i) Steps taken or impact on conservation of energy:-

Towards the energy conservation/green building certification initiative in the corporate office at Adyar the old/outdated generators, air conditioning equipment's, UPSs & passenger lift were replaced with latest technology/energy efficient units.

As a part of energy conservation activity, all the floor conventional lights were replaced with LED lights and through the said energy conservation measures, 6% of savings in energy units was achieved as compared to the previous year consumption.

- (ii) Steps taken by the Company for utilising the alternate sources of energy:- Nil
(iii) Capital investment on energy conservation equipment's:- Nil

(B) Technology Absorption:

Research & Innovation at Ramco is aligned with the key pillars of improving customer experience, driving process efficiency, and enabling intelligent automation. Technology has changed the way business is carried out in every way: predicting faults, troubleshooting and managing information. Our R&D and Innovation have been revolving around real-time capture of transaction data at source, deriving insights using artificial intelligence (AI) and machine learning (ML) and embedding user personalisation and optimisation thus forming the foundation of digital transformation.

- (i) Efforts made towards technology absorption:

- **Embedding AI / ML:** Ramco's AI / ML Plugin Platform enables businesses to leverage Machine Learning to make intelligent decisions with historical data accumulated over time in the Ramco Application. The AI / ML Platform is the base for all the Machine Learning models and algorithms. Recommendation System, Auto Defaulting, Anomaly Detection, Regression, Natural Language Processing are some of the machine learning models that have been made available by Ramco for use with an objective to assist improved productivity and efficiencies by detecting abnormalities, reducing data entry, early warning of any impending problems.
- **Frictionless Experience:** The Ramco Innovation Lab drew upon its own facial recognition-based attendance system deployed across multiple organisations, globally and combined it with real-time location sensing, thermal screening and contact tracing via Bots to help organisations safely bring employees back to work, for a post-lockdown era. This Pandemic Control System enables organisations to track COVID positive staff or visitors and build in operating procedures to avoid further spread within their business premises.
- **Zero UI:** AI / ML and Natural Language Processing are at the heart of digital transformation strategy today. Ramco CHIA helps users carry out ERP transactions over a simple chat without having to log into the application or maneuvering through multiple screens. To further extend the power of CHIA, we invested in embedding actionable cards that are powered with intelligence of user transactions thus limiting need for data entry.

As a part of our innovation initiatives, we have created a large partnership ecosystem comprising of:

- a. 40+ startups
- b. Collaborating with universities like NUS, NTU, SUTD, City University of HK
- c. Close relationship with large software giants like Microsoft and Amazon
- d. Partnership with Industry-focussed Research Institutes like The Logistics Institute APAC (Joint collaboration between NUS and Georgia Tech universities)

All these innovations have positively influenced the perceptions of our customers when they think about Ramco Systems. Not just that, it has helped our customers in being positioned as leaders in their respectable industry.

(ii) Benefits derived:

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

- **Zero UI:** Promotes agility and enables real-time, at-source data capture; which is democratically & instantly available across organisation
- **Cognitive Process Automation:** Beyond automating repetitive tasks, the focus of Ramco’s R&D efforts have been to embed intelligence in enabling automation in decision-making
- **ANA:** Alert-Notification-Action has helped users move business towards proactive mode of operation
- **Bots:** Provide “human-like” assistance, with relevant data, AI / ML based intelligent suggestions & alerting on critical tasks
- **AI / ML:** AI / ML based intelligent recommendations and anomaly detection tools, leveraging historical data assets are already benefiting leading businesses which are embarking on Digital Transformation

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) following information may be furnished:

- a. Technology Imported - Nil
- b. Year of import - Not applicable
- c. Has technology been fully absorbed - Not applicable
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not applicable

(iv) Expenditure on R&D (Refer Note no. 5 to R&D Accounts) Rs. Mln.

Particulars	2019-20	2018-19
Capital	3.47	3.20
Recurring	474.76	418.11
Total	478.23	421.31
Total R&D expenditure as a percentage of total revenue	15.64%	13.35%

(C) Foreign Exchange Earnings and Outgo: Rs. Mln.

Particulars	2019-20	2018-19
Foreign Exchange Earned in terms of actual inflows:	1,873.33	2,124.12
Foreign Exchange Outgo in terms of actual outflows:	477.76	359.13

For and on Behalf of the Board

Place : Chennai
Date : June 19, 2020

P R VENKETRAMA RAJA
CHAIRMAN

Ramco Systems Limited, INDIA

CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of Rules and practices aligned with a systematic procedure through which a Corporate is directed and controlled by balancing the interest of all stakeholders. Your Company's ("Ramco Systems" or "Ramco" or "RSL" or "Company") Corporate Governance goals are principally driven by the objective of creating and maintaining a trust centered relationship in order to enrich stakeholder's value.

During the financial year ("FY") 2019-20, the regulatory authorities have stipulated additional disclosures, changes / amendments in the Standards / Regulations for more transparent and better Corporate Governance. Your Company has complied with such changes as applicable to it.

PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to maintain high standards of Corporate Governance, protecting Customers, Members' 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.

Good Governance Practices stem from the culture and mindset of the organisation. Your Company considers fair and transparent Corporate Governance as one of its core management tenets. Your Company follows the Governance Practices with highest integrity, transparency and accountability.

Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR") as applicable, with regard to Corporate Governance.

BOARD OF DIRECTORS

Your Company has a competent & informed Board of Directors ("Board"). 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 Judgement on behalf of the Company.

The Board provides strategic guidance on affairs of the Company and plays a pivotal role in safeguarding the interests of all stakeholders. Your Company has on its Board, eminent Independent Directors who have brought in independent Judgement to Board's deliberations including issues of strategy, risk management and overall governance. In the opinion of the Board, the Independent Directors fulfill the conditions prescribed in the Companies Act, 2013 (hereinafter referred as "the Act") & SEBI LODR and are independent of the management.

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 have been adequately complied with.

Board's Composition

Your Company has a balanced mix of eminent executive, non-executive and Independent Directors on the Board. The Board consists of four (4) Independent Directors including one (1) Woman Director, three (3) Non-Executive Non Independent Director and one (1) Executive Director. The Chairman is a Non-Executive Promoter Director. The Board's Composition is in accordance with SEBI LODR and the Act.

The Company's affairs are managed by Mr. P V Abinav Ramasubramaniam Raja, Manager, designated as Whole Time Director, assisted by a competent management team headed by the CEO, Mr. Virender Aggarwal.

Directors' Information

The details of the Directors, their age, designation, attendance in the Board & General Meeting held during the year and their shareholding in the Company as on March 31, 2020 are as follows:

Name of the Director/DIN	Age	Designation/Position	Attendance		No. of equity shares held and % of holding
			Board Meeting held/attended	Last (22 nd) AGM	
Mr. P R Venketrama Raja DIN:00331406	61	Chairman / Non-Executive & Non-Independent Promoter Director	4/4	Yes	3,353,366 (10.96%)
Mr. P V Abinav Ramasubramaniam Raja DIN:07273249	26	Whole Time Director/ Executive & Non-Independent Director	4/4	Yes	110,332 (0.36%)
Mr. M M Venkatachalam DIN:00152619	61	Non-Executive & Independent Director	4/3	Yes	-
Mr. A V Dharmakrishnan DIN:00693181	63	Non-Executive & Non-Independent Director	4/4	Yes	170,692 (0.56%)
Mr. R S Agarwal DIN:00012594	77	Non-Executive & Independent Director	4/4	Yes	-
Mrs. Soundara Kumar DIN:01974515	65	Non-Executive & Independent Director	4/4	Yes	-
Mr. Sankar Krishnan* DIN:01597033	52	Non-Executive & Non-Independent Director	4/3	-	-
Justice Mr. P P S Janarthana Raja (Retd.) DIN:06702871	69	Non-Executive & Independent Director	4/4	Yes	-

*Change in the category from Non-Executive & Independent Director to Non-Executive & Non-Independent Director w.e.f. May 22, 2019.

The profile of Directors can be found at our website www.ramco.com .

Board Skills

The Board has identified the skills/expertise/competencies fundamental for the effective functioning of the Company which is currently available with the Board. In accordance with Schedule V read with Regulations 34(3) of SEBI LODR, a matrix setting out the skills/expertise/competence of the Board of Directors specifying the name of the Directors who have such skills/expertise/competence are given below. In general, all the Directors in the Board have hands on experience in the identified areas as below:

Name of the Directors	List of Core Skills/Expertise/Competencies available (including but not limited to)
Mr. P R Venketrama Raja	Expert knowledge in Information Technology, Strategy Management, Business Management and Industrial Relationship Management
Mr. P V Abinav Ramasubramaniam Raja	Strategy Management and Business Management, knowledge in Information Technology and Industrial Engineering
Mr. M M Venkatachalam	Strategy Management, Business Management, Project Management and Industrial Relationship Management

Ramco Systems Limited, INDIA

Name of the Directors	List of Core Skills/Expertise/Competencies available (including but not limited to)
Mr. A V Dharmakrishnan	Strategy Management, Business Management, Banking and Financial Management, Risk Management including Foreign Exchange Management, Tax Planning and Management
Mr. R S Agarwal	Banking and Financial Management and Project Management
Mrs. Soundara Kumar	Banking and Financial Management and Risk Management including Foreign Exchange Management
Mr. Sankar Krishnan	Information Technology, Strategy Management and Business Management, Business Consulting and Project Management
Justice Mr. P P S Janarthana Raja (Retd.)	Expert legal Knowledge, Tax Planning and Management

Directors' Positions

As mandated under Regulation 26(1) of the SEBI LODR, none of the Directors is a Member in more than ten (10) Committees nor any of them a Chairperson of more than five (5) Committees across all listed entities in which they are Directors. As mandated under Regulation 17 of the SEBI LODR, none of the Directors holds Directorship in more than eight (8) listed entities and not holding position as Independent Director in more than seven (7) listed entities. All the Directors have furnished their Directorship and Committee position in other entities as on March 31, 2020 in accordance with the Act and SEBI LODR.

Name of the Director	Directorship/ Chairpersonship in Board*		Chairpersonship/ Membership in Committees**		Directorships in Listed Entities other than this entity	
	Director	Chairperson	Member	Chairperson	Company	Category
Mr. P R Venketrana Raja	8	6 out of 8	6	3 out of 6	The Ramco Cements Limited	Executive & Non-Independent
					Ramco Industries Limited	Non-Executive & Non-Independent
					Rajapalayam Mills Limited	Non-Executive & Non-Independent
					The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent
Mr. P V Abinav Ramasubramaniam Raja	3	-	-	-	Ramco Industries Limited	Executive & Non-Independent
					Rajapalayam Mills Limited	Non-Executive & Non-Independent
Mr. M M Venkatachalam	7	1 out of 7	6	2 out of 6	The Ramco Cements Limited	Non-Executive & Independent
					Coromandel International Limited	Non-Executive & Non-Independent
					E.I.D Parry (India) Limited	Non-Executive & Non-Independent
					Coromandel Engineering Company Limited	Non-Executive & Non-Independent
Mr. A V Dharmakrishnan	6	-	2	-	Rajapalayam Mills Limited	Non-Executive & Non-Independent

Name of the Director	Directorship/ Chairpersonship in Board*		Chairpersonship/ Membership in Committees**		Directorships in Listed Entities other than this entity	
	Director	Chairperson	Member	Chairperson	Company	Category
Mr. R S Agarwal	3	-	3	2 out of 3	The Ramco Cements Limited	Non-Executive & Independent
					Ramco Industries Limited	Non-Executive & Independent
					Suryalakshmi Cotton Mills Limited	Non-Executive & Independent
Mrs. Soundara Kumar	7	-	5	1 out of 5	Rajapalayam Mills Limited	Non-Executive & Independent
					Tamilnadu Newsprint & Papers Limited	Non-Executive & Independent
					Shanthi Gears Limited	Non-Executive & Independent Director
					Carborundum Universal Limited	Non-Executive & Independent Director
					Bank of Baroda	Non-Executive & Independent Director
Mr. Sankar Krishnan	1	-	1	-	Nil	Nil
Justice Mr. P P S Janarthana Raja (Retd.)	3	-	3	2 out of 3	Rajapalayam Mills Limited	Non-Executive & Independent
					The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

*Public Limited Companies, other than Ramco Systems Limited.

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

Disclosure of relationships between Directors inter-se

None of the Directors are related to any other Director except Mr. P R Venketrama Raja and Mr. P V Abinav Ramasubramaniam Raja who are related to each other as father and son.

Independent Directors & Familiarisation Program

Your Company's Board comprises of four (4) Independent Directors. All Independent Directors of the Company have confirmed that they meet the criteria as mentioned in Regulation 16(1) & 25 of SEBI LODR and Section 149(6) of the Act and are independent of the management.

Details of Director appointed/re-appointed during the year are given in the Board's Report. The Company had issued formal letter of appointment/re-appointment to its Independent Directors. The terms and conditions of draft appointment letter are available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/independent-Directors-terms-of-appointment.pdf>. The tenure of Independent Directors is in accordance with the Act and SEBI LODR.

In accordance with Schedule IV of the Act and Regulation 25 of SEBI LODR, Independent Directors met without the presence of Non-Independent Directors & Members of the Management on January 28, 2020 and all the Independent Directors were present at the Meeting. Amongst other matters, in the Meeting, they have reviewed/discussed about the performance of the Company, flow of information to the Board, performance of Non-Independent Directors, Board as a whole and performance of the Whole Time Director including the Chairman after taking views of Executive and Independent Directors.

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Familiarisation Programme for Independent Directors is to enable them to familiarise themselves with the Company, its Management and Operations. Not only Independent Directors, your Company continues to familiarise all its Directors on the technological and statutory developments, which have a bearing on the Company and the industry, so it would be effective in discharging their expected duties. The details of the Familiarisation programs imparted to Directors is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/DIRECTORS-FAMILIARISATION-PROGRAMME.pdf> .

Directors' Tenure

The tenure of the Directors is in accordance with the provisions of the Act & SEBI LODR.

Name of the Director	Category	Tenure of the Director in the Current Term	
		From (Month/Date/Year)	To (Month/Date/Year)
Mr. P R Venketrama Raja	Chairman/Non-Executive & Non-Independent Promoter Director	N.A.	N.A.
Mr. P V Abinav Ramasubramaniam Raja	Whole Time Director/Executive & Non-Independent Director	June 04, 2017	June 03, 2022
Mr. M M Venkatachalam	Non-Executive & Independent Director	April 01, 2019	March 31, 2024
Mr. A V Dharmakrishnan	Non-Executive & Non-Independent Director	N.A.	N.A.
Mr. R S Agarwal	Non-Executive & Independent Director	April 01, 2019	March 31, 2024
Mrs. Soundara Kumar	Non-Executive & Independent Director	March 27, 2020	March 26, 2025
Mr. Sankar Krishnan	Non-Executive & Non-Independent Director	N.A.	N.A.
Justice Mr. P P S Janarthana Raja (Retd.)	Non-Executive & Independent Director	August 29, 2018	August 28, 2023

1. The appointment of the Whole Time Director is governed by the Articles of Association of the Company, resolutions passed by the Committees/Board and the Members of the Company along with Service/Employment Contracts.
2. The service contracts, notice period and severance fees are not applicable to Non-Executive and/or Independent Directors.

MEETINGS OF THE BOARD

The Board met four times during FY 2019-20 viz., May 22, 2019, August 07, 2019, October 30, 2019 and January 28, 2020. The Company held at least one Board Meeting in every three months. The maximum gap between any two Meetings was less than one hundred and twenty days, which is well within the prescribed time stipulated under the Act and SEBI LODR. The necessary quorum was present for all the Board Meetings.

Board Procedure

Board Meeting is generally held once in a quarter to review amongst others, the financial results and business operations of the Company and the Board also meets as and when necessary to deal with specific matters concerning your Company. The Board Meetings are conducted with a pre-communicated and structured agenda.

The agenda is generally shared seven clear days prior to the date of the Meeting. The information pertaining to mandatory items as specified in the Act, SEBI LODR and other applicable laws along with business information's are provided to the Board, as part of the agenda papers well in advance of the Board Meetings (except for certain Unpublished Price Sensitive Information which are provided separately).

As part of Green initiatives to support environment, your Company has started using secured electronic software application system – "Digiboard" through which Board and Committee Meetings agenda, notes, supporting documents and other communications are being circulated/shared to Directors. The draft minutes of the Board and/or its Committee(s) are sent to the Directors for their comments, if any and appropriately entered/recorded in the minutes book maintained by the Company in accordance with the Act and in compliance with Secretarial Standards.

The Board of Directors periodically reviews Compliance Reports pertaining to all laws applicable to the Company. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiary are being placed before the Board of Directors of the Company.

The Board also satisfies itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management. The Board sets out the annual performance objectives, oversees the actions and results of management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's Governance Practices for enhancing the stakeholders value.

Meeting Schedule

The tentative schedule of the Board and Committee Meetings are decided in advance & informed to the Directors, generally the Board and Committee Meetings are held at Chennai, where the Corporate Office of the Company is situated. At times, it may also be convened in the registered office/other place depends on the convenience.

BOARD COMMITTEES

The Board has constituted various Committees with specific terms of reference and scope to support the Board in discharging its responsibilities. The process, procedures and standards adopted by the Company for Board Meeting(s) are applicable to Committee Meeting(s), to the extent applicable.

Minutes of proceedings of Committee Meeting(s) are circulated to the Members and placed before Board Meeting(s) for noting. The recommendations of the Committees are submitted to the Board for consideration/approval.

Audit Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 177 of the Act and Regulation 18 of SEBI LODR read with Part C of Schedule II of the said Regulations. The Committee's primary terms of reference inter-alia include to monitor and provide an effective supervision of the management's financial reporting process; ensure accurate and timely disclosures with the highest levels of transparency; ensure integrity and quality of financial reporting; ensure effective and efficient internal control systems etc.

The Committee met four times during FY 2019-20 on May 22, 2019, August 07, 2019, October 30, 2019 and January 28, 2020. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days. The necessary quorum was present in all the Meetings. The composition of the Audit Committee, Meetings held, and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mrs. Soundara Kumar	Chairperson, Non-Executive & Independent Director	4	4
Mr. M M Venkatachalam	Member, Non-Executive & Independent Director	4	3
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	4	4
Mr. Sankar Krishnan*	Member, Non-Executive & Non-Independent Director	4	3
Mr. R S Agarwal	Member, Non-Executive & Independent Director	4	4
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	4	4

*Change in the category from Non-Executive & Independent Director to Non-Executive & Non-Independent Director. Re-inducted to the Committee as Member by the Board at its Meeting held on May 22, 2019

The Chairman of the Board, Whole Time Director, Chief Executive Officer, Chief Financial Officer, Statutory Auditors and the Internal Auditors are invitees to all the Meetings of the Audit Committee and have attended all the Meetings. The Company Secretary is the Secretary to the Committee.

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All the Members of the Committee are financially literate and possess accounting and related financial management expertise. The Audit Committee holds discussion with Statutory Auditors without the presence of management as and when required.

Mrs. Soundara Kumar, Chairperson of the Audit Committee was present at the last Annual General Meeting (“AGM”) held on August 08, 2019.

Stakeholders Relationship Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 178 of the Act and Regulation 20 of SEBI LODR read with Part D of Schedule II of the said Regulations.

The Committee met two times during FY 2019-20 on April 17, 2019 and January 28, 2020. The necessary quorum was present in both the Meetings. The composition of Stakeholders Relationship Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. P R Venketrama Raja	Chairman, Non-Executive & Non-Independent Promoter Director	2	2
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	2	2
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	2	2
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	2	2

The Chief Financial Officer is an invitee to all Meetings of the Stakeholders Relationship Committee. The Company Secretary is the Secretary to the Committee. Pursuant to the resignation of Mr. P R Karthic, Company Secretary & Compliance Officer, Mr. Vijaya Raghavan N E was appointed as Company Secretary & Compliance officer by the Board w.e.f. February 14, 2020 in accordance with Regulation 6 of SEBI LODR.

During the year, no Member complaints were received. As on March 31, 2020, there were no outstanding complaints pending to be resolved. The quarterly statements on Investor Complaints received and disposed of are filed with Stock Exchanges within 21 days from the end of each quarter/uploaded on the Company Website at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/statement-of-investor-complaints/> and the statement filed/uploaded is also placed before the subsequent Meeting of Board of Directors.

Grievances received from investors and other miscellaneous correspondence/mandates, etc. are processed by the Registrar and Share Transfer Agent M/s. Cameo Corporate Services Limited immediately after due verification.

Mr. P R Venketrama Raja, Chairman of the Stakeholders Relationship Committee was present at the last AGM held on August 08, 2019.

Nomination and Remuneration Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 178 of the Act and Regulation 19 of SEBI LODR read with Part D of Schedule II of the said Regulations. The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Act, SEBI LODR and functions as mandated by the Board from time to time. The Committee's primary terms of reference inter-alia include to formulate the criteria for determining the qualifications, skills, positive attributes necessary for recommending/inducting Members on the Board/Senior Management, performance evaluation of Independent Directors, Board as a whole and that of its Committees, recommend to the Board a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees. The said Policy is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/ramco-nomination-and-remuneration-policy.pdf> .

The Committee met four times during FY 2019-20 on April 17, 2019, May 22, 2019, October 30, 2019 and January 28, 2020. The necessary quorum was present in all the four Meetings. The composition of Nomination and Remuneration Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	4	3
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	4	4
Mr. Sankar Krishnan*	Member, Non-Executive & Non-Independent Director	4	2
Justice Mr. P P S Janarthana Raja (Retd.)**	Member, Non-Executive & Independent Director	4	3

* Change in the category from Non-Executive & Independent Director to Non-Executive & Non-Independent Director. Re-inducted to the Committee as Member by the Board at its Meeting held on May 22, 2019

** Inducted as Member of the Nomination and Remuneration Committee on May 22, 2019

The Committee also administers the Company's Employees Stock Option Scheme. During the year, there were no stock options granted to or exercisable by any Non-Executive Directors.

The details of shares held by Directors of the Company as on March 31, 2020 are given in this report in page no. 63.

All the Members of the Committee are Non-Executive Directors. Chairman of the Committee is different from the Chairman of the Board. The Company Secretary is the Secretary to the Committee.

Mr. M M Venkatachalam, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 08, 2019.

Evaluation Criteria

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

The key areas of evaluation of individual Directors, including Independent Directors are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern for stakeholders, Attentive to the internal controls mechanism and Ethical conduct issues.

Remuneration to Directors

The Non-Executive Directors were paid remuneration only by way of sitting fees for attending Meetings of Board and Committees thereof. Accordingly, an amount of Rs.30,000 per Meeting being paid as sitting fee for attending the Board Meetings, Audit Committee Meetings and Meeting of Independent Directors. No sitting fee is payable for attending the Meetings of any other Committees of the Board, unless approved by the Board.

The Members of the Company at the AGM held on August 04, 2017 had appointed Mr. P V Abinav Ramasubramaniam Raja as Whole Time Director for a period of 5 years with effect from June 04, 2017. The remuneration structure of Whole Time Director comprises salary & perquisites, sitting fees for attending the Meetings and other benefits etc. The remuneration is determined considering various factors such as qualification, expertise, roles, functions, responsibilities, prevailing remuneration in the industry and the financial position of the Company.

The details of remuneration paid to the Executive and Non-Executive Directors are given in Form MGT-9 forming part of the Board's Report. There are no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company, other than fees being paid for attending Meetings.

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Corporate Social Responsibility Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 135 of the Act.

The Committee met two times during FY 2019-20 on May 22, 2019 and January 28, 2020. The necessary quorum was present in both the Meetings. The composition of Social Responsibility Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. P R Venketrama Raja	Chairman, Non-Executive & Non-Independent Promoter Director	2	2
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	2	2
Mr. M M Venkatachalam	Member, Non-Executive & Independent Director	2	2

The Chief Financial Officer is an invitee to all Meetings of Corporate Social Responsibility Committee. The Company Secretary is the Secretary to the Committee. The Company has framed a CSR policy which is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/corporate-social-responsibility-policy/>.

Mr. P R Venketrama Raja, Chairman of the Corporate Social Responsibility Committee was present at the last AGM held on August 08, 2019.

Allotment Committee

The Board has constituted Allotment Committee with the primary objective 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/will be held on need basis.

The Committee met five times during FY 2019-20 on April 17, 2019, June 14, 2019, October 30, 2019, December 26, 2019 and February 27, 2020. The necessary quorum was present in all the Meetings. The composition of the Committee Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	5	4
Mr. P R Venketrama Raja	Member, Non-Executive & Non-Independent Promoter Director	5	5
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	5	5

The Chief Financial Officer is an invitee to all Meetings of Allotment Committee. The Company Secretary is the Secretary to the Committee. During the year, 10,359 shares were allotted by the Committee to eligible employees/option grantees of the Company and its subsidiaries pursuant to exercise of Stock options. Further details on the same are given in the Board's Report.

Fund Raising Committee

The Board has constituted fund raising Committee with the primary objective of overseeing the entire fund raising program of the Company. The Meetings of the Committee held/will be held on need basis. The Composition of the Committee comprised of Mr. M M Venkatachalam, Chairman, Non-Executive & Independent Director, Mr. P R Venketrama Raja, Member, Non-Executive & Non-Independent Promoter Director, Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director and Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director/Executive & Non-Independent Director. During the Year, no Meetings were held.

GENERAL BODY MEETINGS

Annual General Meetings

The details of the last three AGM's of the Company and the Special Resolutions passed thereat are as under:

Month/ Date/Year	Time	Location	Special Resolution Passed
August 08, 2019	11:45 a.m.	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.	Re-appointment of Mrs. Soundara Kumar (DIN:01974515), as an Independent Director from March 27, 2020 to March 26, 2025.
August 03, 2018	11:45 a.m.	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.	Re-appointment of Mr. M M Venkatachalam (DIN:00152619), as an Independent Director from April 01, 2019 to March 31, 2024. Re-appointment of Mr. R S Aggarwal (DIN:00012594), as an Independent Director from April 01, 2019 to March 31, 2024.
August 04, 2017	11:45 a.m.	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.	Appointment of Mr. 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 for a period of five (5) years from June 04, 2017 to June 03, 2022

All the Resolutions were approved with requisite majority, the results were displayed on the website of the Company and necessary disclosures were made to the Stock Exchanges.

Extra Ordinary General (EGM) Meetings

No EGMs were held during the last three years.

Postal Ballot

No special resolution was passed through postal ballot during FY 2019-20. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution through postal ballot. No Special Resolution is proposed to be passed through Postal Ballot.

MEANS OF COMMUNICATION

Your Company provides prompt communication to all its stakeholders. Your Company interacts with Members through multiple channels of communication such as result announcements, annual report, media releases, updating the information on Company's website, etc.

Financial Results

Quarterly/Half-yearly and Audited Annual Results are provided to the Stock Exchanges and published in prominent daily newspapers viz. Business Standard (English edition) and Makkal Kural (Tamil edition) and are also displayed on the Company's website at the following weblink: <https://www.ramco.com/investor-relations/investor-information/quarterly-results/> and full results are provided in <https://www.ramco.com/investor-relations/investor-information/intimation-to-stock-exchanges/> .

Annual Report

The Company's Annual Report is also uploaded on the Company's website are available at the following weblink: <https://www.ramco.com/investor-relations/investor-information/annual-reports/> in a user-friendly and downloadable form.

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Press & Media Release/Publication of Results

The Company sends the copy of Press & Media Releases/Publication of results to Stock Exchanges and also disseminates the same on the Company's website at www.ramco.com. An analysis of the various means of dissemination of information during the year under review is produced below:

Means of Communication	Frequency
Press/Media Release	27 times
Earnings Call/Investors Meet	4 times
Publication of Results	4 times

Investors/Analysts Interactions

The schedule of the Meetings of the investors/analysts are intimated in advance to the Stock Exchanges and disclosed on the Company's website. Gist of such Meetings/Calls are intimated to the Stock Exchanges and also uploaded on the Company's Website.

Stock Exchange Compliances

The National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) maintain separate online portals i.e. "NEAPS" and "Listing Centre" respectively for electronic submission of information by listed Companies. Various communications such as notices, press releases, the quarterly, half-yearly and annual compliances and disclosures are filed electronically on these portals. In addition, such disclosures and communication are hosted on the Company's website in accordance with SEBI LODR.

Dissemination

The Company has a policy on the Determination of Materiality for Disclosure of Events or Information. The said policy is available on the Company's website. Dissemination of the information is based on the Policy.

MANDATORY & DISCRETIONARY REQUIREMENTS

The SEBI LODR prescribes the various Corporate Governance requirements, both mandatory and non-mandatory. Your Company is in substantial compliance with the same.

Mandatory Requirements

The Company has complied with the mandatory requirements of Part C of Sub-Paras (2) to (10) of Schedule V of the SEBI LODR.

Discretionary Requirements

Company has adopted following discretionary requirements of SEBI LODR.

Separate posts of Chairman and CEO

The post of the Chairman, Whole Time Director and CEO of the Company are held by separate persons.

Reporting of Internal Auditor

The Internal Auditors of the Company reports directly to the Audit Committee.

Audit Qualification

The Company is already in the regime of unqualified financial statements.

MEMBERS INFORMATION:

Corporate Identification Number	L72300TN1997PLC037550
Registration Number	18-37550 - Registered in the state of Tamil Nadu
Company Secretary & Compliance Officer	Vijaya Raghavan N E No. 64, Sardar Patel Road, Taramani, Chennai - 600 113. Phone: +91 44 2235 5558 Fax: +91 44 2235 5078 E-mail: investorcomplaints@ramco.com
Listing on Stock Exchanges	BSE Ltd., PJ Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
International Securities Identification Number (ISIN)	INE246B01019
Stock Code	BSE – 532370 NSE – RAMCOSYS
Securities suspended from trading	No
Annual Listing Fees	Listing fee for the FY 2020-21 have been paid to the BSE and NSE.
Annual Custody Fee and Annual Issuer Fee	Custodial Fee/ Issuer Fee for the FY 2020-21 have been paid by the Company to NSDL and CDSL.
Designated Depository	CDSL has been appointed by the Company - for monitoring the Foreign Investment limits.
Financial Year	April 01 to March 31
Book Closure	August 31, 2020 to September 07, 2020 (both days inclusive)
Annual General Meeting 2020	September 07, 2020 – 03:00 p.m. through Video Conference / Other Audio Visual Means
Annual General Meeting 2021 (Tentatively)	July/August, 2021
Financial Reporting 2020-2021 (Tentatively)	
June 30	between end of July 2020 & August 14, 2020
September 30	between end October 2020 & November 14, 2020
December 31	between end of January 2021 & February 14, 2021
March 31	between end of April 2021 & May 2021
Outstanding GDR/ADR receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Nil. Since the Company has not raised any funds by way of GDR/ADR or warrants or any convertible instruments.
Commodity price risks or foreign exchange and hedging activities	Nil. Since the Company is not dealing in any commodities.
Global Presence/Plant Location/R&D Centre	Given in page no.1 and in the Cover Page of this Annual Report.
Credit Rating	Disclosed in the Board's Report
Correspondence Details of Company & RTA	The Company address for Investor correspondence is provided in the 3 rd row of this table and details of RTA are given below: 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

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SHARES/ RELATED INFORMATION

Market Price Data

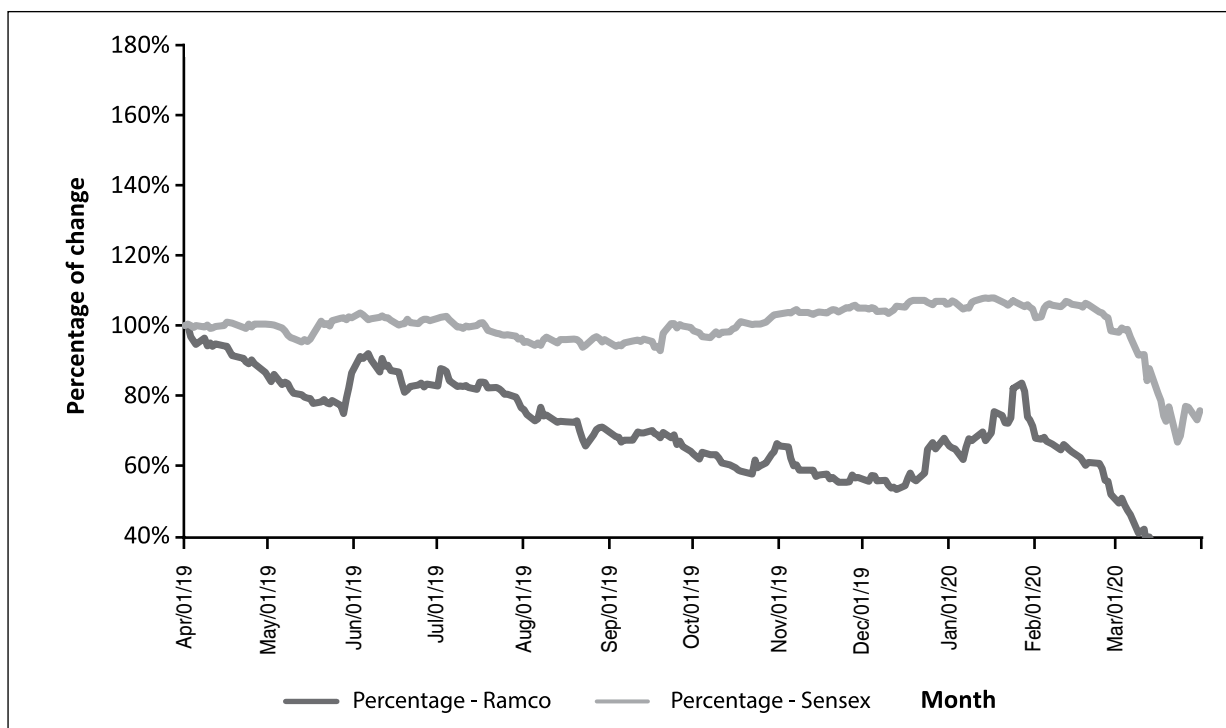
The Company's monthly high and low share price data as well as the total turnover during each month in the FY 2019-20 on the BSE and NSE are as mentioned below:

Month	Ramco - BSE			BSE Sensex		Ramco - NSE			NSE Nifty	
	Share Price (Rs.)		Volume Traded			Share Price (Rs.)		Volume Traded		
	High	Low		High	Low	High	Low		High	Low
Apr-19	262.50	215.00	296,486	39,487.45	38,460.25	263.00	215.00	592,873	11,856.15	11,549.10
May-19	232.00	187.20	963,461	40,124.96	36,956.10	223.90	190.30	840,378	12,041.15	11,108.30
Jun-19	246.00	193.15	71,215	40,312.07	38,870.96	246.50	192.70	982,657	12,103.05	11,625.10
Jul-19	229.90	194.00	54,345	40,032.41	37,128.26	229.70	193.10	453,508	11,981.75	10,999.40
Aug-19	196.90	161.35	12,998	37,807.55	36,102.35	197.70	158.70	198,913	11,181.45	10,637.15
Sep-19	186.00	161.75	32,724	39,441.12	35,987.80	185.70	161.60	207,122	11,694.85	10,670.25
Oct-19	193.00	142.00	92,604	40,392.22	37,415.83	192.45	145.05	1,024,802	11,945.00	11,090.15
Nov-19	173.00	138.90	76,825	41,163.79	40,014.23	172.00	138.65	661,782	12,158.80	11,802.65
Dec-19	175.00	134.40	133,621	41,809.96	40,135.37	174.80	132.30	1,930,052	12,293.90	11,832.30
Jan-20	219.50	155.00	410,825	42,273.87	40,476.55	219.45	155.00	4,256,623	12,430.50	11,929.60
Feb-20	184.75	131.50	141,841	41,709.30	38,219.97	185.50	131.00	945,468	12,246.70	11,175.05
Mar-20	135.65	65.00	149,745	39,083.17	25,638.90	137.00	64.10	1,040,022	11,433.00	7,511.10

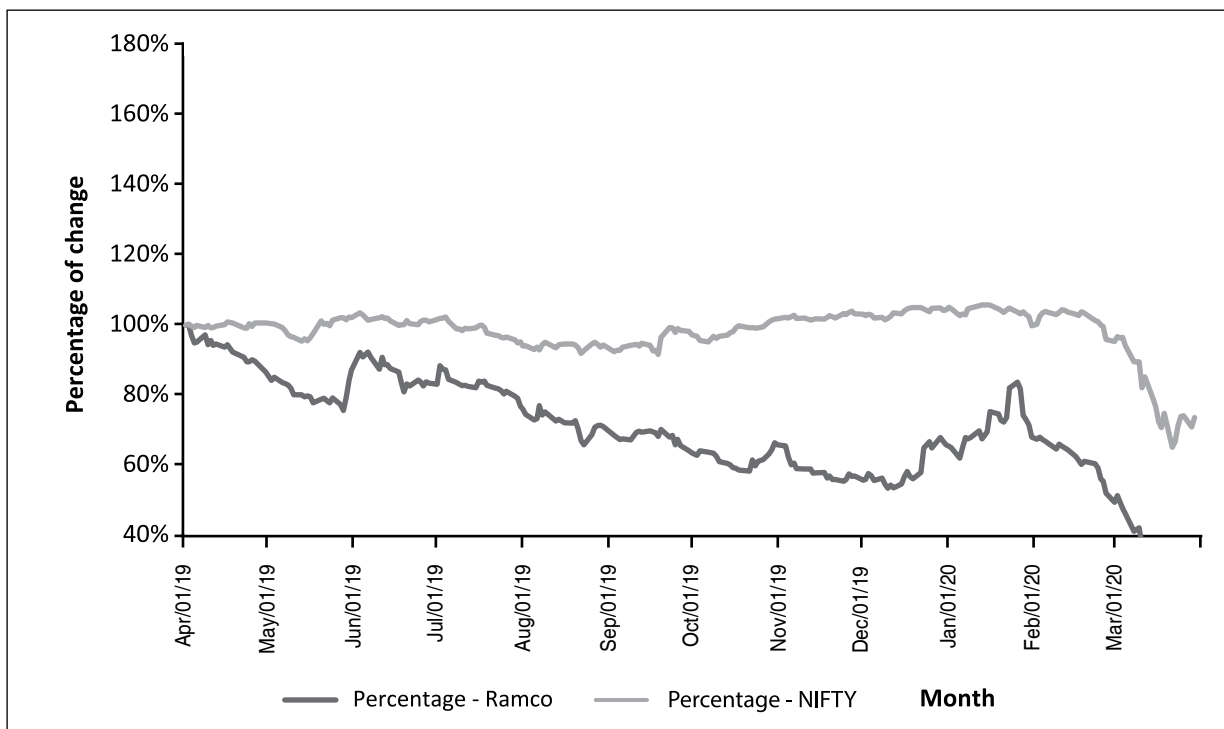
Source: This information is compiled from the data available from the websites of BSE and NSE

Performance in comparison to broad-based indices

Share price movement compared to BSE Sensex (closing price on last trading day of the month)



Share price movement compared to NSE Nifty (closing price on last trading day of the month)



Distribution of Shareholding

The Distribution of Shareholding of the Company as at March 31, 2020 is as follows:

Sl.No.	Holding range	Number of Members	% of total	Shares	% of total
1	Between 1 and 500	14,926	89.35	1,384,532	4.53
2	Between 501 and 1,000	816	4.88	637,198	2.08
3	Between 1,001 and 2,000	409	2.45	605,442	1.98
4	Between 2,001 and 3,000	146	0.87	368,504	1.20
5	Between 3,001 and 4,000	89	0.53	316,266	1.03
6	Between 4,001 and 5,000	67	0.40	315,930	1.03
7	Between 5,001 and 10,000	122	0.73	884,547	2.89
8	More than 10,000	131	0.78	26,090,762	85.26
	Total	16,706	100.00	30,603,181	100.00

Note: The number of Members is counted based on the individual folios.

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Shareholding Pattern

Sl. No.	Category	Number of Members	Number of Shares Held	% held
1	Promoters & Promoter Group	16	16,741,840	54.71
2	Public	15,608	13,861,341	45.29
3	Non-Promoter - Non Public	-	-	-
4	Shares underlying DRs and held by Employee Trust	-	-	-
	Total	15,624	30,603,181	100.00

Note: The above report is based on PAN. Detailed Shareholding Pattern is provided in MGT - 9 forming part of Board's Report.

Share Transfer

M/s. Cameo Corporate Services Limited is the Company's Registrar and Share Transfer Agent ("RTA") for carrying out share related activities. The requests for physical Transmissions, Transpositions etc., are received by the Company and/or by the RTA and processed/returned within the due time after scrutiny on the completeness of documentation. Transfer of shares in electronic form are processed and approved by NSDL and CDSL through their Depository Participant without the involvement of the Company. The Share transfers are approved by the Stakeholder's Relationship Committee.

The Company also obtains a certificate from a Practicing Company Secretary on half yearly basis under Regulation 40(9) of the Listing Regulations, to the effect that all share certificates have been issued within the prescribed time of lodgement of the transfer, sub-division, consolidation and renewal and files the same with Stock Exchanges.

Dematerialisation of Shares

99.60% of the Company's paid-up Equity Share Capital has been dematerialised as on March 31, 2020. Trading in Equity Shares of the Company is permitted only in dematerialised form. Details as of March 31, 2020 are as follows:

Mode of Holding	Number of Holders	Number of Shares	% of Shares
NSDL	9,193	22,640,042	73.98
CDSL	6,626	7,841,189	25.62
Total Demat holding	15,819	30,481,231	99.60
Physical	257	121,950	0.40

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

Reconciliation of Share Capital (RSC)

RSC Audit was undertaken on a quarterly basis by a Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL and the total issued, paid and listed capital. The report thereof was submitted to the Stock Exchanges.

Liquidity

Company's Equity Shares are actively traded on both NSE and BSE. Substantial increase in total trading activity of the Company's equity shares was witnessed during FY 2019-20 as compared to 2018-19.

BOARD & GOVERNANCE RELATED

Code for Insider Trading

Your Company has formulated a “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives and Code of Practices & Procedures for Fair Disclosure” for Prevention of Insider Trading (“Code”) in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (PIT Regulations). It aims at preventing insider trading activity by dealing in shares of the Company by its Designated Persons, their Immediate Relatives and Connected Persons. Designated Persons and Immediate Relatives are governed by the Code. As per the Code, Designated Persons shall make disclosure of their holdings of shares to the Compliance Officer within 30 days from the end of every financial year. During the year under review, there has been due compliance with the Code.

Code for Fair Disclosure

Your Company has formulated “Code of Practices and Procedure for Fair Disclosure” (as part of above referred code) for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in accordance with PIT Regulations with an objective of protecting the interest of Members at large and preventing misuse of any UPSI. The Company has also framed Policy and Procedure for inquiry in case of leak or suspected leak of UPSI. The said Code & Policy are available at the Company’s website, at the following weblinks: <https://www.ramco.com/investor-relations/corporate-governance/insider-trading/> and <https://www.ramco.com/investor-relations/corporate-governance/Policy-Procedure-Inquiry-UPSI/> .

Corporate Governance Certificate

A certificate from Practicing Company Secretary M/s. S.Krishnamurthy & Co., Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under SEBI LODR is forming part of the Annual Report. Company has also received certificate from him confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

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

Compliance

Your Company is in due compliance with the provisions of applicable laws, Regulations, standards, Company codes & policies. In accordance with SEBI LODR, this is to disclose that, there have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

Whistle Blower Policy & Vigil Mechanism

Your Company’s Whistle Blower Policy and established Vigil Mechanism is to enable the employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the policy. CEO is the corporate ombudsman, to administer the Vigil Mechanism. The Vigil Mechanism is overseen by the Audit Committee.

The Vigil Mechanism provides adequate safeguards to the whistle blowers against any victimisation. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns. It also provides a mechanism for stakeholders to approach the Chairman of Audit Committee. During the year, no requests from any personnel for access to the Audit Committee were received by the Company and hence, the question of denial of such access did not arise. The Company’s Whistle Blower Policy is available at the Company’s website, at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/whistle-blower-policy/> .

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OTHER DISCLOSURES

Compliance Requirements	Compliance Status
RPT Policy Web link	https://www.ramco.com/investor-relations/corporate-governance/related-party-transaction-policy/ .
Materially Significant Related Party Transaction (RPT) during the year	No such RPT made by the Company that may have potential conflict with the interests of the Company at large.
Material subsidiary Policy Web link	https://www.ramco.com/investor-relations/ramco-material-subsiary-policy.pdf .
Dividend Distribution Policy Web link	https://www.ramco.com/investor-relations/DIVIDEND-DISTRIBUTION-POLICY.pdf .
Foreign Exchange Risk	Refer the Note No.32 of the Standalone Financials in the page no. 155.
Details of Utilisation of Funds	The Company has no unutilised funds raised through Preferential Allotment or Qualified Institutions Placement.
Recommendation of the Committees of the Board	All are accepted by the Board.
Sexual Harassment related disclosures	Nil – Refer Board's Report for related disclosures in the page no. 22.
Statutory Auditors Fees	The total fee paid on a consolidated basis during the FY 2019-20 is Rs.2.37 Mln. Refer the Note No.26 of the Standalone Financials in the page no. 147. The subsidiary Companies have separate Statutory Auditors, not connected with the Company's Statutory Auditors.
SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a Centralised web-based complaints redress system. Actions taken on the complaints and their current status are updated electronically in the SEBI SCORES system.
Unclaimed Suspense Account	Nil – Number of shares were lying in the Company unclaimed suspense account at the beginning & at the end of the year.

DISCLOSURES AND AFFIRMATIONS

CEO/CFO Certification

In accordance with SEBI LODR, Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director, Mr. Virender Aggarwal, Chief Executive Officer and Mr. R Ravi Kula Chandran, Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board are provided in this report. They also give quarterly certification on financial results while placing the financial results before the Board confirming that such financial results for the quarter/year ended do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

Code of Conduct

The Company's Code of Conduct is applicable to all the Board Members and the Senior Management Personnel of Ramco. The duties of Directors including duties as an Independent Director as laid down in the Act also form part of the Code of Conduct. A copy of the Code of Conduct is available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/code-of-conduct-business-ethics.pdf> .

A declaration signed by the Whole Time Director and Chief Executive Officer of the Company as per in accordance with Regulation 17(5) read with Schedule V(D) of SEBI LODR, confirming the Compliance are provided in this report.

Directors & Senior Management Personnel

In accordance with Regulation 26(5) and 26(6) of SEBI LODR, Directors and Senior Management Personnel of the Company have affirmed compliance/make disclosure to the Board periodically that all material, financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large.

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

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended March 31, 2020.

For **RAMCO SYSTEMS LIMITED**

Date : June 19, 2020

VIRENDER AGGARWAL
CHIEF EXECUTIVE OFFICER
Place : Singapore

P V ABINAV RAMASUBRAMANIAM RAJA
WHOLE TIME DIRECTOR
Place : Chennai

Ramco Systems Limited, INDIA

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,

Ramco Systems Limited,

[CIN: L72300TN1997PLC037550]

47, P.S.K. 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 2020**, 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 composition of the Board and Committees, vigil mechanism, related party transactions and certain other matters;
- (b) Regulation numbers 46(2)(b) to 46(2)(i) dealing with the information to be disseminated on the Company's 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 the Compliance Certificates furnished by the Chief Executive Officer and the Chief Financial Officer;
- (e) Part C of Schedule II dealing with the role of Audit Committee and review of information by the Committee;
- (f) Part D of Schedule II dealing with the role of 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 the 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 compliance certificate on conditions of corporate governance issued by the 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.

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 2020, complied with the above-mentioned conditions of Corporate Governance, as applicable.**

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

Membership No: F6312

Certificate of Practice No:2215

UDIN: F006312B000358697

Place : Chennai

Date : 19th June 2020

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

[In terms of Regulation 34 (3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,

Ramco Systems Limited [CIN: L72300TN1997PLC037550]
47, P.S.K. Nagar, Rajapalayam – 626 108.

We hereby certify that, in our opinion, none of the Directors on the Board of **RAMCO SYSTEMS LIMITED** ('the Company') as on **31st March 2020**, as listed below, have been debarred or disqualified from being appointed or continuing as directors of companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Poosapadi Ramasubrahmaneya Rajha Venketrama Raja	Chairman, Promoter, Non-Executive Director	00331406
2.	Poosapadi Venketrama Raja Abinav Ramasubramaniam Raja	Executive, Non-Independent Director	07273249
3.	Murugappan Muthiah Venkatachalam	Non-Executive, Independent Director	00152619
4.	Arrakundal Velayutha Raja Dharmakrishnan	Non-Executive, Non-Independent Director	00693181
5.	Radhey Shyam Agarwal	Non-Executive, Independent Director	00012594
6.	Soundara Kumar	Non-Executive, Independent Director	01974515
7.	Sankar Krishnan	Non-Executive, Non-Independent Director	01597033
8.	Posapadi Perumal Subba Raja Janarthana Raja	Non-Executive, Independent Director	06702871

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the directors available in the official website of the Ministry of Corporate Affairs; and
2. Our verification of the disclosures / declarations / confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the Corporate Governance processes followed by the management of the Company.

For **S. KRISHNAMURTHY & CO.**,
Company Secretaries

K. SRIRAM
Partner

Membership No: F6312
Certificate of Practice No:2215
UDIN: F006312B000358708

Place : Chennai
Date : 19th June 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Our Business – An Overview

Innovation is the buzzword of the day, but Ramco redefines disruption. With focus on Innovation as our key differentiator, we at Ramco have been adopting latest technology trends to help businesses embark upon their Digital Transformation journey.

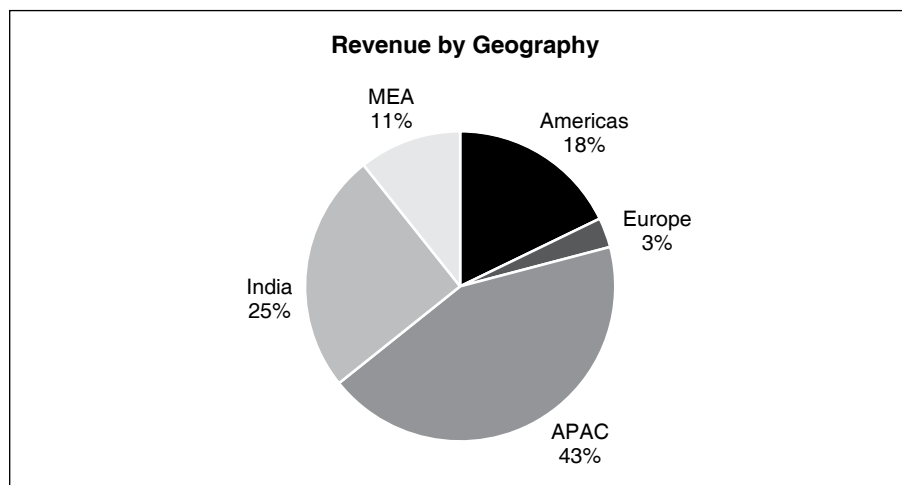
Ramco's Digital Transformation is all about results which are aimed at driving improvement that is not just incremental but substantial. To analyse the ROI of investment in Digital Transformation, Ramco has been enabling organisations to carefully establish the prime objective or motivation of carrying out Digital Transformation right in the beginning – whether it is enabling transparency throughout organisation, improving employee engagement and collaboration, boosting operations efficiency, increasing productivity or anything else. This has been setting the stage for deriving true results.

Employee Engagement

At Ramco, we have always believed and encouraged our employees to feel passionate about their jobs and ensure that they are equally committed to the organisation. The passion, involvement, motivation, and emotional investment that every individual brings to work helps us align their own goals with the organisation's goals. It is this zeal and focused talent strategy that has resulted in Ramco's diversity across gender and geography. FY20 witnessed a global workforce from 17 different nationalities including Americans, Australians, Chinese, Filipinos, French, Germans, Hong Kongese, Indonesians, Lebanese, Malaysians, Burmese, Singaporeans, South Africans, Swiss and Vietnamese. With equal employment opportunities, Ramco continued to balance the women employee ratio at 38%. Interestingly, keeping up the pace with the millennial generation, Ramco was also able to keep the attrition rates low, at around 20%.

Geographic Growth

Our geographical revenue spread continues to be a healthy mix, with 80% coming from markets outside India. The net profit after tax for the year stood at Rs.101.74 Mln. (USD 1.45 Mln.). Despite headwinds due to pandemic, the revenue showed a growth of 5% in INR terms. The overall revenue of USD 81.03 Mln. for FY 2019-20 from various regions is depicted below:



In FY20, **Asia** continued to be the highest contributor, both in terms of booking and revenue. The region continued to record stellar performance by adding significant logos across all business units right from ERP, Aviation, Payroll to Logistics. While all the business units fared well, it was ERP that bagged the honour of presenting important announcements this year. Right from announcing the largest deal in the history of Ramco Systems for an end-to-end Digital Transformation from one of Philippines' largest player in the Cement industry, to witnessing world's second largest Human Resources provider and temporary staffing firm reaffirm its trust in Ramco, Ramco ERP indeed recorded a stunning performance this year. HR & Global Payroll remained focused on delivering successful on time go-live, thus building a strong customer base in the region. The ability to address all of Asia Payroll on a single platform with next-gen engaging levers such as built-in Bots, continues to win hands down. With ERP and Global Payroll finding a sizeable market in Asia, Aviation stepped up its game, winning two large mandates from China – HAECO & China Aircraft Services, thus making its footprint stronger in the Asian markets.

As the second largest contributor, **INDIA** witnessed the addition of some marquee logos including a global leader in oil and gas projects, technologies, system and services, a leading American management consulting firm and a leading provider of design and technology services for product engineering and Solutions Company, among the others who chose Ramco HR & Global Payroll. Interestingly, the year also witnessed existing clients and large business conglomerates deep dive into how Digital Transformation can play a pivotal role in their growth. Going forward the home turf will see some exciting action build up on Digital Transformation-led enterprise deals. Ramco’s Services Resources Planning (SRP) Suite and HR & Global Payroll offering continued to fly high in the region.

With critical focus on Defense, MROs and Heli-Operators, **Americas** continued to step up the technological stacks of leading Aviation players, in the region. With successful wins at a leading advanced adversary, air-defense and Joint Terminal Attack Controller (JTAC) training services provider and Erickson Incorporated among the others; and with record go-lives at Life Flight Network and Panasonic Avionics, Ramco Aviation kept the business momentum upbeat throughout the year.

On Enterprise front, the upcoming launch of Ramco US Payroll will be a game changer in building HRP’s market presence in the region. With substantial efforts underway, the launch of US Payroll will indeed bring in Payroll transformation across the region.

Middle East and North Africa continued to see strategic wins and key customer go-lives which set the pace for growth. With the addition of Classic Fashion Apparel Industry Ltd. Co., Halliburton, Herfy Food Services Co. and the region’s largest restaurant franchise, Americana, Ramco HR & Global Payroll solution became the preferred choice of enterprises, eyeing to achieve Payroll transformation. On the other hand, Ramco’s Aviation offering grabbed some attention from the region’s leading players like West Africa’s 60-year-old Aviation Company, Aero Contractors Company of Nigeria Limited and Caverton Helicopters, entering the Ramco fold.

Having tested our strengths in Aviation and Global Payroll, this year we ventured out to **Europe** with Ramco’s Logistics solution. Our win at Forwardis, an SNCF Logistics subsidiary and one of Europe’s leading rail and multimodal freight transport providers, who chose us for a Logistics Digital Transformation program, marked Ramco’s entry into the European Logistics industry.

Financial Performance

The summary of financial performance has been provided in the Board’s Report. The detailed analysis of the financial performance for the FY 2019-20 as against the previous year is provided under the section “Key Financial Ratios - NPM” below.

Key financial ratios

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI LODR”), the Company is required to give details of significant changes (change of 25% or more as compared to the previous financial year) in sector-specific key financial ratios, as well as any changes in return on net worth. The following have been identified by the Company as key financial ratios, which are tracked only at the consolidated level.

Particulars	March 31, 2020	March 31, 2019
Product revenue to total revenue	45.98%	58.68%
Operating profit margin	8.04%	8.58%
Net profit margin	1.79%	3.02%
Interest coverage ratio	3.75	11.07
Current ratio	1.57	1.48
Debt equity ratio	0.16	0.14
Days sales outstanding (DSO)	115	103
Return on net worth	1.68%	2.84%
R&D spend to revenue	8.41%	7.77%

Ramco Systems Limited, INDIA

Detailed explanation for significant changes in sector-specific key financial ratios and changes in return on net worth:

Net Profit Margin (NPM):

The decrease in the NPM is analysed below:

Particulars	Rs. Mln.
Increase in revenue	267.86
Decrease in other income	(4.97)
Decrease in Purchase of Stock in Trade	17.26
Net increase in Employee benefit expense	(235.13)
Increase in cost on account of adoption of Ind AS 116 - Leases:	
Increase in depreciation on right of use assets	(128.76)
Increase in Interest on lease liabilities	(69.65)
Lease rentals not required to be charged	166.53
Increase in interest on borrowings – other than on lease liabilities	(10.37)
Increase in depreciation & amortization - other than on right of use assets	(25.01)
Increase in bad debts/provision for bad debts	(90.43)
Decrease in other expenses	24.48
Lower Taxes	26.64
Increase in Share of Profit of an associate	1.62
Increase in Non-controlling interests	(2.11)
Decrease in PAT attributable to Members of the Company	(62.04)

The above decrease in the PAT resulted in the NPM for the current year coming down to 1.79% on the revenue, compared to 3.02% for the previous year.

Interest coverage ratio:

The finance costs have gone up to Rs.122.05 Mln. during the current year from Rs.42.03 Mln. during the previous year.

- During the current year, interest on lease liabilities amounting to Rs.69.65 Mln. on the right-of-use assets under Ind AS 116 – Leases from April 01, 2019 was accounted. Since the Company chose to apply the modified retrospective approach as provided in the said Ind AS 116, the comparative information for the earlier periods has not been restated and hence was Nil.
- The interest on loans and finance charges have gone upto Rs.52.40 Mln. during the current, compared to Rs.42.03 Mln. during the previous year, on account of increase in borrowings.

At the same time, the Earnings Before Interest and Tax (EBIT) has marginally decreased from Rs.465.31 Mln. in the previous year to Rs.457.14 Mln. in the current year.

The above had resulted in the reduction of interest coverage ratio from 11.07 for the previous year to 3.75 for the current year.

Debt equity ratio:

The debt has shot up by 17.38% i.e., from Rs.820.02 Mln. as at the end of previous year to Rs.962.50 Mln. as at the end of the current year. The increase is explained below:

Particulars	Rs. Mln.
Net cash flow from operating activities, excluding unrealised exchange loss	613.89
Net cash flow used in investing activities (mainly towards addition to tangible & intangible assets)	(572.68)
Net cash flow used in financing activities (excluding borrowings)	(143.63)
Increase in cash and cash equivalents (excluding bank overdraft)	(40.06)
Net Deficit, funded by increase in borrowings	(142.48)

The equity has marginally gone up by 4.89% from Rs.5,775.68 Mln. as at the end of previous year to Rs.6,058.25 Mln. as at the end of the current year. The increase is mainly on account of addition of current year profit and increase in share capital and securities premium, on account of issue of shares under ESOS.

The above has led to increase in debt equity ratio from 0.14 as at the end of the previous year to 0.16 as at the end of the current year.

Return on net worth:

The net profit has decreased by 37.88% i.e., from Rs.163.78 Mln. to Rs.101.74 Mln. (as explained under NPM above), while the equity has marginally gone up by 4.89% from Rs.5,775.68 Mln. to Rs.6,058.25 Mln., (as explained under Debt Equity Ratio above) resulting in decrease in return on net worth from 2.84% for the previous year to 1.68% for the current year.

Internal Control System

The Company has an internal control system, commensurate with the size and nature of its operations, which have been designed to provide reasonable assurance of recording the transactions of its operations in all material aspects and providing reliable financial and operational information, complying with applicable laws and safeguarding the assets of the Company. The Company constantly reviews its processes and the systems to address the changing regulatory and business environments. The Company uses its own Enterprise Resource Planning system for recording of accounting data and for management information purposes. The Company had aligned the internal financial control system with the requirement of Companies Act, 2013.

The Company has an external audit firm for carrying out the internal audit, based on a plan finalised in consultation with the Statutory Auditors and approved by the Audit Committee. The Internal Auditors directly report to the Audit Committee. The internal audit reports are submitted to and presented in the Audit Committee and discussed. The Audit Committee also obtains the views of the Internal and Statutory Auditors to ascertain the adequacy of Internal Control Systems. The Statutory Auditors have issued a Report on the internal control over financial reporting (as defined in Section 143 of Companies Act, 2013).

The Company had assessed the effectiveness of the internal control over financial reporting (as defined in Regulation 17(8) of SEBI LODR) as of March 31, 2020. Based on its evaluation (as defined in Section 177 of Companies Act, 2013 and Regulation 18 of SEBI LODR), our Audit Committee has concluded that, as of March 31, 2020, our Internal Financial Controls were adequate and operating effectively.

Challenges

There is bound to be disruption and uncertainty in business due to COVID-19 pandemic. The economic slowdown caused by COVID-19 is expected to delay planned initiatives which will adversely impact our business. While businesses continue to explore alternate methods of functioning, the key will be to adapt and rethink quickly. While a few sectors like Travel & Hospitality have shown sluggish growth, the overall economic activity has dropped in many markets. However, forward looking businesses are seizing this opportunity to affect the change that they have been contemplating. We are helping such organisations in their Digital Transformation journey, thus enabling a new line of business opportunity.

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Business disruption, whether caused by the COVID-19 pandemic or more general societal, economic, political and environmental pressures, often determines the need to adjust course. Digital Transformation introduces a continuous cycle of change that affects organisations, processes, people and culture. Many leaders today, realise that digital transformation requires a more fundamental transformation, with the whole organisation participating. Digital business is introducing continuous and disruptive changes that go beyond project implementations.

Market Size/Opportunity

The global enterprise application market size is estimated to be worth USD 259.51 Billion by 2022, according to a study by Grand View Research, Inc., registering a 7.8% CAGR during the forecast period. Increasing need among organisations for single data access point is anticipated to drive industry growth over the forecast period.

Impact of COVID-19 on projects - Some projects may become significantly more urgent, with more critical business needs requiring faster delivery-or they may become less important to the business and therefore potentially abandoned. Given that remote working will become the norm, focus is on adapting an agile implementation methodology to ensure quicker project go-lives.

As economic recovery progresses, enterprises operating with pared down workforces are likely to increase outsourcing to build scale in operations to meet rising demand. Spending on growth and transformation initiatives is also expected to start picking up from that point on.

Business Outlook

Digital Transformation has been on the agenda of organisations for years. It is now a crucial time for leaders to plan for and implement it across industries. Amongst various organisations, there is a widespread recognition that the role of digital technology is shifting - from driving marginal efficiency to being a catalyst of innovation and disruption. A recent study shows that approximately 85% of key decision makers feel they have only 2 years to get to grips with Digital Transformation. True Digital Transformation will require de-layering of decision making and work processes. Assets have to be digitalised and enhanced so depreciation is better managed. Capex must give way to Opex more than before.

Digital Transformation of business processes will offer improved efficiencies, more cost-effective ways to use technology, better customer engagement, and can even offer employees better working conditions. Change is never easy and Digital Transformation brings with it both risk and reward. Managing those risks will be a part of the Digital Transformation process as much as bringing on-board new technologies themselves.

With the outbreak of COVID-19 disrupting businesses, globally; Ramco's Innovation lab launched a "touch-less" attendance with Facial Recognition, Safe Distancing, Realtime Location Sensing, Thermal Screening and Contact Tracing ALL INTEGRATED to a central HR system to help organizations ensure employee safety at the workplace. From scanning the visitors' and employees' thermal image, to leveraging Chatbot based pre-screening to alerting when social distance norms are flouted, the application comes with varied possibilities. RamcoGEEK, the attendance system ensures robust containment through a robust attendance system for a healthy workplace. We also integrate this with sliding doors / elevators to create a complete "touch-less" experience for employees.

Risks and concerns

In a matter of few weeks, the COVID-19 health pandemic has paralysed the world and has dealt a sharp blow to the way we live and work. Businesses are in a wait-and-watch mode and are reluctant to commit to any new projects. Old habits, old processes and dependence on old technology will leave many outdated, uncompetitive enterprises and on the verge of extinction. Only forward-thinking organisations with deep financial prowess are embarking on transformation. This is set to impact the business growth in the immediate timeframe. But, the pandemic has also opened up opportunities as organisations are suddenly are in the want to 'Go Digital'. Only the fittest can survive and grow. The brave new world requires CEOs to step forward and lead the transformation decisively. The future seemed to have arrived rather quickly and without any notice. There is no longer the luxury of time or alternatives in a world after COVID-19.

From operations standpoint - We, as a Company were more ready than others as we had adopted virtual tools like BlueJeans for video conferencing even three years back. In fact, close to 80% of our workforce were already on laptops, thus enabling a remote working possible without any major hiccup. Given that, we run all processes from cloud, the business disruption was very minimal.

Q1 Highlights

April 02 , 2019: Announced the successful **go-live of Ramco Aviation Suite at Saudi Rotorcraft Support Company (SRSC)**, leading Aviation IT solutions provider. The implementation of Ramco Aviation Suite has helped SRSC's technological foundation ground up, deploying its **Aviation Suite V5.8 to boost operational efficiencies and streamline their processes.**

April 09, 2019: Agreement announced with one of Australia & New Zealand's leading telecom providers, to deploy its **Global Payroll and Time & Attendance solution with Core HR.** This implementation will help the telecom major digitise its **payroll operations and also comply to the region's payroll statutory** and new tax office direct filing requirements for its **5000+ employees** spread across ANZ.

April 16, 2019: Announced the order win to implement **Ramco Aviation M&E MRO Solution V5.8 to digitise the maintenance and engineering (M&E) operations of Caverton Helicopters Limited, a leading aviation and marine logistics player in Nigeria.** This implementation will help Caverton's operations team to view multiple indicators and processes on a single dashboard and also **improve maintenance schedules, fleet forecasting and planning and management of logistics**, thereby improving overall safety and efficiency.

April 30, 2019: Announced the upgradation of Ramco HCM at Ramco's 15 year old customer **RAKBANK, the leading SME Bank in the UAE.** The upgrade includes Ramco's end-to-end HR suite, **bundled with Mobility and Chatbots, covering the entire gamut of HR processes such as Core HR, Recruitment, Talent Management, Leave, Time & Attendance and Payroll, thereby automating HR operations.**

May 07, 2019: Recognized as a '**Leader**' in **NelsonHall's NEAT Matrix for Next Generation Payroll Services 2019.** Ramco emerged in the 'Leader' quadrant in three market segments including overall, as well as with a specific focus on multi-country payroll services and in Asia Pacific.

May 29, 2019: Agreement announced with **Société Calédonienne de Transports Aériens (Air Calédonie), the first domestic airline of New Caledonia,** located in Melanesia in southwest Pacific Ocean to implement **Ramco's Aviation ERP Modernization Program.** The implementation will help integrate all of Air Calédonie's business operations into a **single, seamless system.**

June 12, 2019: Bagged the **Global Payroll Transformation Project of the Year Award** at the Global Payroll Association Awards, for delivering significant transformation in Payroll management at Standard Chartered, a global multinational banking and financial services Company, headquartered in London. Standard Chartered along with Ramco Systems had nominated its Global Payroll Transformation Program.

June 24, 2019: Agreement announced with **Forwardis, a SNCF Logistics subsidiary and one of Europe's leading rail and multimodal freight transport providers to implement Ramco Logistics Software** across all the entities of Forwardis Group. The Logistics Software will replace the existing inhouse applications to offer a truly modern and future-ready enterprise application that connects customers, suppliers and users on a unified platform.

June 26, 2019: Agreement announced with **Kuwait Food Company (Americana) K.S.C.C., one of the largest food companies in the Middle East,** to deploy Ramco HR & Global Payroll solution to manage the HR operations. This implementation will automate Americana's HR & Payroll operations covering **44,000+ employees for 1800 restaurants across 13 countries.** Phase 1 of the implementation in the UAE witnessed the **go-live of the solution for 9000 employees.**

Q2 Highlights

July 02, 2019: Agreement announced with **Erickson Incorporated, key American aerospace manufacturer and global aviation service provider** to implement **Ramco Aviation Suite V5.8.** The M&E and MRO solution will be implemented to connect over 700 users across three business units - **Commercial Aviation Services, Defense and National Security as well as Manufacturing and MRO (Maintenance, Repair & Overhaul)** on a global basis.

July 23, 2019: Agreement announced with **Herfy Food Services Co., Saudi Arabia's biggest and most successful fast food brand, Herfy Food Services Co.,** to deploy Ramco's award winning HR & Global Payroll solution to manage the operations of its **6000+ employees** spread across the Kingdom of Saudi Arabia. This will simplify and automate **payroll processing at Herfy and also integrate with Herfy's existing ERP solution to offer error free payroll computation.**

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July 30, 2019: Announced the successful go-live of Ramco Aviation Suite at **Life Flight Network, a nationally-recognised, not-for-profit air medical service based in Aurora, Orego. Ramco Aviation suite V5.8** has helped Life Flight Network integrate and enhance safety, operations, maintenance, compliance and other key functions for its four-state network of air ambulance bases.

August 06, 2019: Agreement announced with **Averda, the leading international environmental services provider.** The company is going to integrate processes for its 15,000+ employees across countries in the Middle East and Africa. **Ramco's Time & Attendance (T&A) solution along with Facial Recognition along with Near Face Communication integration** boosts efficiencies, enhances safety and safeguards site-security, at Averda.

September 23, 2019: Announced the successful go-live of **Ramco Logistics Software at AP Cargo Logistic Network Corp, Philippines' leading domestic provider of express logistics for air cargo and other goods.** The implementation of the software has enabled over **1,200 users at AP Cargo to track, plan, and manage more than 550 vehicles and other valuable assets over their smartphones.**

Q3 Highlights

October 16, 2019: Announced the launch of **Ramco CHIA Virtual Assistant on WhatsApp Business solution,** in partnership with Nexmo, The Vonage API Platform. Powered by the **Nexmo Messages API,** Ramco CHIA is an Artificial Intelligence driven Virtual Assistant which uses Deep Learning and Natural Language Processing to simplify day-to-day HR activities via the WhatsApp Business solution.

October 24, 2019: Announce partnership with **NTT DATA Services, a recognised leader in global technology services,** to enable clients to modernise enterprise applications to drive Digital Transformation. This collaboration will combine Ramco's innovative enterprise software solution offerings with NTT DATA's world-class, strategy-led business and technology services.

December 10, 2019: Announced the launch of **Digital Payroll Maturity Assessment Tool** – a free and interactive survey for multi-country organisations to analyse and map their digital payroll maturity against industry benchmark. This tool was launched in partnership with **NelsonHall, a leading global research & analysis firm.**

December 16, 2019: Agreement announced with **China Aircraft Services Limited, one of the largest third party MRO providers, and a joint venture company among CNAC(G), UAL, CAL & Gama Aviation** to deploy **Ramco Aviation Suite V5.8,** to manage its end-to-end base and line maintenance operations, optimise resource utilisation and arrest revenue leakage.

December 23, 2019: Extension of agreement announced with **Hong Kong Aircraft Engineering Company Limited (HAECO Group), a leading Aviation Maintenance, Repair & Overhaul (MRO) specialist** for Ramco Aviation software. Signed a multi-million-dollar Digital Transformation deal to unify operations **across four additional business units in Hong Kong, Xiamen and Jinjiang.**

Q4 Highlights

February 03, 2020: Agreement announced with **Halliburton, one of the world's largest providers of products and services to the energy industry** to deploy **Ramco's award winning HR & Global Payroll software** to manage payroll operations in China. Ramco to also deliver Leave Management, Time & Attendance, Loans & Advances, targeted to meet the **Chinese Government's taxation compliance standards.**

February 10, 2020: Announced the successful go-live of **Ramco Aviation Suite V5.8 at Aero Contractors Company of Nigeria Limited, a state-controlled Nigerian airline company,** for its MRO operations, thereby automating manual work execution processes and enabling organisation-wide visibility.

February 11, 2020: Agreement announced with **Classic Fashion Apparel Industry Ltd. Co., the largest apparel manufacturer in the Middle East** with 28% share of Jordon's total garment exports to deploy **Ramco's Global Payroll Software** to automate payroll and Time & Attendance of its **30,000+ employees** across 13 Factory Facilities and 7 Satellite Units.

March 18, 2020: Launched the advanced **facial recognition based Time & Attendance System – RamcoGEEK, embedded with Temperature recording and IoT sensor doors** to enable organisations move towards a 'Touch-less' attendance and workplace access, in the wake of the **COVID-19 outbreak.** Innovation launched in Singapore as administrations globally, together with large corporations, are reported to have suspended finger/thumb based biometric staff attendance due to fear of infection.

Business Responsibility Report – 2019-20

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)]

This Business Responsibility Report (BRR) conforms to the requirement of SEBI LODR and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of business released by Ministry of Corporate Affairs, Government of India (MCA). This Report provides an overview of activities/initiatives carried out by your Company.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L72300TN1997PLC037550			
2	Name of the Company	Ramco Systems Limited (“Ramco”)			
3	Registered address	47, PSK Nagar, Rajapalayam – 626 108			
4	Website	www.ramco.com			
5	E-mail id	investorcomplaints@ramco.com			
6	Financial Year reported	April 01, 2019 to March 31, 2020			
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	62011	Writing, modifying, testing of computer program to meet the needs of a particular client excluding web page designing.
				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 and related activities (ii) Consultancy and related activities (iii) Hosting and related activities			
9	Total number of locations where business activity is undertaken by the Company	Number of International Locations: Please refer the list of overseas location given at the end of the Annual Report. Number of National Locations: Ramco has 5 offices at Chennai, Mumbai, Gurugram, Bangalore and Rajapalayam.			
10	Markets served by the Company	Local	State	National	International
		√	√	√	√
		India, North America, Europe, Middle East, Africa, Asia (Malaysia, Singapore, Philippines, Indonesia, Vietnam, China, Hong Kong and Macau), Australia and New Zealand.			

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SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital - Rs. Mln.	306.39
2.	Total Turnover - Rs. Mln.	3,197.56
3.	Total profit after taxes - Rs. Mln.	248.91
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent Rs.12.21 Mln. on CSR which is 2% of the average profit after tax of the last 3 years.
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annexure V to Board's Report

SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary Company/ Companies?	Yes. Refer Annexure VII to Board's 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. However, the subsidiaries share/follow the principles & ethics of the parent Company and are responsible businesses.
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	Mr. P R Venketrama Raja
3.	Designation	Chairman

(b) Details of the BR head

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

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

(a) The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas or Principles P1 to P9, (given in Section E) of Business Responsibility.

(b) Details of compliance in respect of those principles are given below:

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/processes framed by the Company are in accordance with the applicable laws and standards, as applicable for the business operations of the Company from time to time. The policies/process 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?	Yes the policies are approved by the Board/senior management persons/Business Unit heads as required respectively.								
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?	The statutory policies are available on https://www.ramco.com/investor-relations/ and certain management/operational related policies are available in the Company's internal portal for information of relevant stakeholders.								
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
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, Human Resource Grievance Redressal System, The Whistle Blower Mechanism, Prevention of Sexual Harassment Policy, etc., provides opportunity to report any concerns or grievances pertaining to any potential or actual violation of the relevant policies including remedial measures/action taken by appropriate team to address such violation/concern, as the case may be. An Investor grievance mechanism is also in place to respond to any investor grievances.								
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 are subject to review by Statutory Auditors and Internal Auditors.								

(c) If answer to the question at serial number 1 against any principle, is 'No', please explain why:– **Not Applicable**

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 periodical 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 forming part of Annual Report and also placed on the Company's website at www.ramco.com

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SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1) - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? 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.

Internal stakeholders' queries/issues have been satisfactorily resolved by the management and no complaint has been received under Whistle Blower Policy. During the year under review, no complaints has been received from Members.

Principle 2 (P2) - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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

Ramco had unveiled in March 2020, an advanced facial recognition based Time & Attendance System – RamcoGEEK, embedded with Temperature recording and IoT sensor doors, to enable organizations move towards a 'Touch-less' attendance and workplace access, in the wake of the COVID-19 outbreak. Ramco drew upon its own facial recognition-based attendance system deployed across multiple organizations globally and combined it with a thermal imaging device for temperature measurement as well as other associated software. This enables organizations to track staff or visitors with high temperatures that may indicate infection and build in operating procedures to avoid further contaminations caused by finger/thumb based biometric scanners.

RamcoGEEK for Attendance with Temperature capturing can:

- Detect and match the faces of staff Members and mark their attendance along with temperature; where facial based attendance is a privacy concern, enterprises can replace it with Voice to register access
- System is linked to an IoT sensor powered door which can restrict access in case the temperature is higher than normal and auto apply leave on behalf of the employee
- Communicate the information to HR and management in real-time
- Track the movements of a high-temperature staff in the workplace

RamcoGEEK for Visitors can:

- Send notifications when RamcoGEEK encounters a person with a very high temperature to the Facility Manager / Facility Admin
- Track the movement of that person within that premise

RamcoGEEK for Contact Tracing can:

- Send notifications / Alerts to all those employees, customers, vendors and others interacted with in-person, in the event any person develops COVID-19 symptoms/ diagnosed
- The Track and Trace system is capable of reading Outlook calendar, Credit card spend data, trip details from Uber Lyft and Grab (subject to permission) to identify people met, Hotels stayed, Flights taken, Taxi drivers used and use this information to help identify employees at risk.
- Reverse tracing can also be initiated based on data around positive COVID-19 cases from external environment – for instance, a positive case of COVID-19 at a restaurant can alert all employees who have dined at the restaurant to be quarantined (based on bills raised)
- Help HR set up its own procedures to seek recent movements of the affected person, based on the information provided by the attendance system

- This piece of software could be leveraged provided RamcoGEEK could get access to the data specified above. And these data could be stored in organization's premises or could leverage Ramco's cloud for storing the same.
- Support authorities with essential information, if needed (e.g., to facilitate contact-tracing)

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?
Not Applicable
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Ramco being software product based Company, its products are not resource intensive and hence reduction is negligible.

1. 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
2. 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.
3. 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 a mechanism to recycle waste but it doesn't deal with product recycling as it does not manufacture products. RAMCO has contributed towards recycling of Waste Paper and earlier the same has been appreciated/acknowledged by ITC Limited (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/authorised 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 (P3) - Businesses should promote the well-being of all employees.

1. Please indicate the Total number of employees:
1621 permanent employees on rolls of the Company.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
Third Party Employee: 64 & Retainer: 24
3. Please indicate the Number of permanent women employees:
644
4. Please indicate the Number of permanent employees with disabilities:
Nil
5. Do you have an employee association that is recognised by management:
No
6. What percentage of your permanent employees is Members of this recognised employee association? :
Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?
Nil

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

Sl.No.	Type	Percentage of Employees	Skill up gradation Training
(a)	Permanent Employees	95% (of 1709 total employees)	77%
(b)	Permanent Women Employees	40% (of 1621 permanent employees)	81%
(c)	Casual/Temporary/ Contractual Employees	5% (of 1709 total employees)	36%
(d)	Employees with Disabilities	Nil	Nil

Principle 4 (P4) - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

Yes

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

The Company's CSR programmes are mainly targeted in Promoting education, including special education and employment enhancing vocation skills, especially, among children, women, elderly and the differently abled and livelihood. Please refer the Annual Report on CSR for more details.

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

Principle 5 (P5) - Businesses should respect and promote human rights.

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 (P6) - Businesses should respect, protect and make efforts to restore the environment.

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. The Company also partners with leading consulting firms Ernst & Young (E&Y), Deloitte and KPMG to offer its cloud-based architecture as Business Platform as a Service (BPaaS) for cost-effective infrastructure and increased flexibility.

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

With the outbreak of COVID-19 disrupting businesses globally, Ramco's Innovation lab launched a "touch-less" attendance with Facial Recognition, Safe Distancing, Realtime Location Sensing, Thermal Screening and Contact Tracing - all integrated to a central HR system to help organisations ensure employee safety at the workplace. From scanning the visitors' and employees' thermal image, to leveraging Chatbot based pre-screening to alerting when

social distance norms are flouted, the application comes with varied possibilities. RamcoGEEK, the attendance system ensures containment through a robust attendance system for a healthy workplace. It is also integrated with sliding doors/elevators to create a complete “touch-less” experience for employees.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? 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 it offers a more efficient alternative from an energy and cooling consumption.

3. Does the Company identify and assess potential environmental risks?

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.? If yes, please give hyperlink for web page etc.

Yes. As part of energy efficiency/renewable energy conservation process in corporate office, we have replaced the old generators, air conditioners, lifts & conventional lights with the latest energy efficient equipment's.

As part of energy conservation activity, we have replaced conventional lights in all floors in Corporate Office with LED lights. From this energy conservation measures, we have achieved savings in energy units as compared to the previous year consumption.

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 (P7) - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

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)

Confederation of Indian Industry (CII)

Singapore Infocomm Technology Federation (SITF)

Society for Human Resource Management (SHRM)

American Payroll Association (APA)

Irish Payroll Association (IPASS)

South Africa Payroll Association

Global Payroll Association (GPA)

AMCHAM – Singapore

Australia Payroll Association (APA)

UK Warehouse Association (UKWA)

American Staffing Association

Association of Professional Staffing

Indo-Australian Chamber of Commerce

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2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? 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 (P8) - Businesses should support inclusive growth and equitable development.

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

Yes. With the outbreak of COVID-19, the pandemic brought back the focus on 'Hygiene'. The concern around employee safety and health at work, gained paramount importance. Considering these situations, Ramco Systems unveiled an integrated facial and temperature recording technology-based Time & Attendance Software to help companies' better screen and protect their employees while recording Attendance.

All other initiatives around Education, Driver Care and Tribal Welfare are achieved through the group's CSR initiatives.

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

CSR initiatives were undertaken 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 Rs. and the details of the projects undertaken.

The Company has spent Rs.12.21 Mln. towards its CSR commitment. Please refer Annual Report on CSR - Annexure V to Board's Report.

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

With increasing challenges associated with technology, growth and business performance, the Company has been constantly driving process efficiency, flexibility and boosting productivity to support our clients' changing business requirements.

Principle 9 (P9) - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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. By leveraging Artificial Intelligence driven Virtual Assistant which uses Deep Learning and Natural Language Processing to simplify day-to-day HR activities, the Company has also rolled out its Customer Bot – Ramco CHIA, to address customer queries. 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 are 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 behavior 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Separate (Standalone) Financial Statements drawn in accordance with the Indian Accounting Standards ("Ind AS") of Ramco Systems Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the state of affairs (financial position) of the Company as at 31 March 2020, its Profit (financial performance including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Trade Receivable, Unbilled License Revenue and Unbilled Services Revenue

Trade Receivable:

Trade receivables are amounts billed but not yet received as on 31 March 2020. Amount outstanding on this account is Rs.1,360.69 Mln. Of this Rs.760.16 Mln. is receivable from eleven wholly owned subsidiaries (including one stepdown subsidiary) and Rs.194.46 Mln. is receivable from a subsidiary (that includes a step down subsidiary) where the Company holds 98% of the Equity.

Unbilled License Revenue:

Revenue recognition in the case of Licenses is on delivery of the software and when the customer obtains a right to use such licenses. The excess revenue over billing is classified as Unbilled License Revenue and grouped under Financial Assets. The amount recoverable as on 31 March 2020 is Rs.188.81 Mln.

Unbilled Service Revenue:

Revenue recognition in the case of services is based on percentage of completion method. The excess revenue over billing is classified as Unbilled Service Revenue and grouped under Other Assets. The amount recoverable as on 31 March 2020 is Rs.310.89 Mln.

Ramco Systems Limited, INDIA

Auditor's Response:

We have audited the Revenue recognition to ensure that it follows the stated policy. The outstanding amount has certain element of credit risk.

In the case of Trade Receivable and Unbilled License Revenue, the credit risk is, default on its payment obligation by the customer, resulting in a financial loss.

In the case of Unbilled Service Revenue, the risk consists of the satisfaction of the customers in respect of completion of service milestones and the default on its payment obligation by the customer, resulting in a financial loss.

We have reviewed the credit risk policy of the Company. The implementation of such policy has been audited through audit / review of accounts through compliance and substantive testing of selected samples. The Company has created a provision for doubtful debts for Trade Receivable and Unbilled Revenue based on expected credit loss method. We have evaluated the empirical data of the previous years, and we have ascertained that the current provisioning for the expected credit loss is in line with the historical evidences. We have also ascertained the key judgments and assumptions used by management in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.

2. Investments in Subsidiaries

The Company has various overseas subsidiaries. The carrying cost of investments made in overseas subsidiaries under equity as on 31 March 2020 is Rs.3,672.60 Mln.

Auditor's Response:

We have evaluated the carrying cost of the investments in subsidiaries. The investments in these subsidiaries are considered as long term in nature. We have considered the inter-dependency between the Company and its subsidiaries, the manner in which the operations are carried out by the Company and its subsidiaries and assessed the key judgments and assumptions used by the Company in evaluating the stated value of the investments.

3. Deferred Tax

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. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. 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.

The credit availed for Minimum Alternate Tax (MAT) 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. The balance in deferred tax asset as on 31 March 2020 is Rs.109.36 Mln. which is net of, MAT credit asset of Rs.230.81 Mln. and Deferred Tax Liability of Rs.121.45 Mln.

Auditor's Response:

We have verified the carrying amount of the MAT Credit Entitlement disclosed under Deferred Tax Assets.

We reviewed the evaluation process of availing the MAT Credit Entitlement. We assessed the permanence of methods used, the relevance and consistency of underlying assumptions (budget and future projections including earnings growth and applicable tax rates) and tested the arithmetic accuracy.

4. Intangible Assets - Product Software and Technology Platform

The Company's significant cash generating assets are Product Software and Technology Platform. Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified as "Product Software". Similarly, costs incurred in the development of Technology Platform framework, which would enable the Company to provide solutions in both standard and customized way, have been classified as "Technology Platform". These are disclosed under Intangible Assets.

The carrying cost of Product Software and Technology Platform as on 31 March 2020 is Rs.2,426.60 Mln.

Auditor's Response:

We have reviewed and verified the process of capitalization of Product Software and Technology Platform. The Company amortizes the cost incurred in development of these intangible assets over its estimated useful life which is determined as ten years.

We have reviewed the Company's assessment on the reasonableness of the useful lives of these intangible assets and the impairment of these assets.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and Board of Directors, either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

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fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31 March 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2020 from being appointed as a Director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. 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 as at 31 March 2020 on its financial position in its Standalone Financial Statements - Refer note no. 31 (c) to the Standalone 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 were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.
3. With respect to the matter to be included in the Auditor’s Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For M S JAGANNATHAN & N KRISHNASWAMI

Chartered Accountants
Firm Registration No. 001208S
Partner

K SRINIVASAN

Membership No. 021510
UDIN: 20021510AAAABZ1012

Place : Tiruchirappalli
Date : 19 June 2020

Ramco Systems Limited, INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2020, we report the following:

- (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 program of physical 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 on 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 included in property, plant and equipment are held in the name of the Company. In respect of immovable properties and property, plant and equipment taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are 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, limited liability partnerships 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, with respect to the loans given, investments made, guarantees and securities given.
- (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 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, Goods and Services tax, duty of Customs, Cess and 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 2020, 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 the 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 the 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 during the year.

- (ix) The Company did not raise 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.
- (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 examination of the records of the Company, the Company has paid / provided 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 Sections 177 and 188 of the Act, and details have been disclosed in the Standalone 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.
- (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
Partner

K SRINIVASAN

Membership No. 021510
UDIN: 20021510AAAABZ1012

Place : Tiruchirappalli
Date : 19 June 2020

Ramco Systems Limited, INDIA

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 Ramco Systems Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 2020, 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

Partner

K SRINIVASAN

Membership No. 021510

UDIN: 20021510AAAABZ1012

Place : Tiruchirappalli

Date : 19 June 2020

Ramco Systems Limited, INDIA

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020 Rs. Min.	As at March 31, 2019 Rs. Min.
ASSETS			
Non-current assets			
Property, plant and equipment	5	169.56	167.91
Right-of-use assets	6	568.90	-
Intangible assets	7	2,484.27	2,432.85
Investment in subsidiaries	8	3,672.60	3,007.83
Financial assets			
Loans	9.1	-	40.00
Investments	9.2	15.00	15.00
Trade receivables	9.3	5.40	11.80
Other financial assets	9.4	135.88	51.34
Tax assets (net)		125.33	192.53
Deferred tax assets (net)	10	109.36	374.31
Other non-current assets	11	68.45	5.23
		<u>7,354.75</u>	<u>6,298.80</u>
Current assets			
Financial assets			
Loans	9.1	1,048.68	1,009.04
Trade receivables	9.3	1,355.29	1,567.17
Cash and cash equivalents	9.5	30.84	25.07
Other financial assets	9.4	251.22	148.96
Tax assets (net)		41.50	54.03
Other current assets	11	424.52	342.42
		<u>3,152.05</u>	<u>3,146.69</u>
Total assets		<u>10,506.80</u>	<u>9,445.49</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	306.39	306.28
Other equity	13	7,992.68	7,759.18
Total equity		<u>8,299.07</u>	<u>8,065.46</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14.1	66.67	-
Lease liabilities	14.2	527.23	-
Provisions	15	64.29	59.03
Other non-current liabilities	16	9.94	6.42
		<u>668.13</u>	<u>65.45</u>
Current liabilities			
Financial liabilities			
Borrowings	14.1	827.03	802.99
Lease liabilities	14.2	66.82	-
Trade payables	14.3		
Total outstanding dues of micro enterprises and small enterprises		17.11	8.54
Total outstanding dues of creditors, other than micro enterprises and small enterprises		241.98	203.79
Other financial liabilities	14.4	52.93	18.22
Provisions	15	4.75	5.11
Liabilities for current tax		-	2.41
Other current liabilities	16	328.98	273.52
		<u>1,539.60</u>	<u>1,314.58</u>
Total liabilities		<u>2,207.73</u>	<u>1,380.03</u>
Total equity and liabilities		<u>10,506.80</u>	<u>9,445.49</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 - 37

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

P R VENKETRAMA RAJA
Chairman
Chennai

SOUNDARA KUMAR
Director
Coimbatore

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Date : June 19, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020 Rs. Mln.	Year ended March 31, 2019 Rs. Mln.
INCOME			
Revenue from operations	17	3,058.48	3,156.94
Finance income	18	138.22	87.27
Other income	19	0.86	0.80
Total income		<u>3,197.56</u>	<u>3,245.01</u>
EXPENSES			
Purchase of stock-in-trade	20	6.60	2.37
Changes in inventories of stock-in-trade		-	-
Employee benefits expense	21	1,217.34	1,093.13
Finance costs	22	107.56	41.03
Depreciation and amortisation expense	23	606.08	494.48
Other expenses	24	647.12	878.62
Total expenses		<u>2,584.70</u>	<u>2,509.63</u>
Profit before tax		612.86	735.38
Income tax expense	10		
Current tax (includes MAT)		99.43	159.31
Deferred tax (includes MAT credit)		264.52	57.21
Total income tax expense		<u>363.95</u>	<u>216.52</u>
Profit for the year		<u>248.91</u>	<u>518.86</u>
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) of defined benefit obligations	21.1	5.04	0.35
Income tax on above item(s)	10	(0.43)	(0.12)
		<u>4.61</u>	<u>0.23</u>
(ii) Items that may be reclassified to profit or loss			
Effect of change in functional currency of foreign operations		(29.24)	(16.13)
Income tax on above item(s)		-	-
		<u>(29.24)</u>	<u>(16.13)</u>
Other comprehensive income for the year (i + ii)		<u>(24.63)</u>	<u>(15.90)</u>
Total comprehensive income for the year		<u>224.28</u>	<u>502.96</u>
Earnings per Equity Share of Rs.10 each			
Basic		8.13	16.97
Diluted		8.13	16.97
Weighted average equity shares used in computing earnings per share			
Basic		30,598,687	30,574,407
Diluted		30,598,687	30,574,407
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 - 37		

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

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

Date : June 19, 2020

P R VENKETRAMA RAJA
Chairman
Chennai

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

SOUNDARA KUMAR
Director
Coimbatore

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Ramco Systems Limited, INDIA

STATEMENT OF CHANGES IN OTHER EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Nos. in Mln. Rs. Mln.

a. Equity Share Capital

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

Balance as at April 01, 2018	30.54	305.75
Changes in Equity Share Capital during 2018-19 (refer note no.12)	0.05	0.53
Balance as at March 31, 2019	30.59	306.28
Changes in Equity Share Capital during 2019-20 (refer note no.12)	0.01	0.11
Balance as at March 31, 2020	30.60	306.39

b. Other Equity for the year ended March 31, 2020

Rs. Mln.

Particulars	Share application money pending allotment	Reserves & Surplus			Items of OCI	Total other equity
		Securities Premium	Employee stock options outstanding	Retained earnings	Currency translation reserve	
As at April 01, 2019	0.54	6,580.62	269.32	914.22	(5.52)	7,759.18
Profit for the period	-	-	-	248.91	-	248.91
Other comprehensive income (OCI) / (losses)						
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	4.61	-	4.61
(b) Exchange difference on translation of foreign operations	-	-	-	-	(29.24)	(29.24)
Total comprehensive income / (losses)	0.54	6,580.62	269.32	1,167.74	(34.76)	7,983.46
Subscription to stock option schemes	-	-	-	-	-	-
Issue of share capital	(0.54)	0.58	-	-	-	0.04
Transfer on exercise of stock options	-	4.38	(4.38)	-	-	-
Share based payments for options granted	-	-	9.18	-	-	9.18
As at March 31, 2020	-	6,585.58	274.12	1,167.74	(34.76)	7,992.68

Other Equity for the year ended March 31, 2019

Rs. Mln.

Particulars	Share application money pending allotment	Reserves & Surplus			Items of OCI	Total other equity
		Securities Premium	Employee stock options outstanding	Retained earnings	Currency translation reserve	
As at April 01, 2018	1.16	6,557.38	279.30	395.12	10.62	7,243.58
Profit for the period	-	-	-	518.86	-	518.86
Other comprehensive income (OCI) / (losses)						
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	0.23	-	0.23
(b) Exchange difference on translation of foreign operations	-	-	-	0.01	(16.14)	(16.13)
Total comprehensive income / (losses)	1.16	6,557.38	279.30	914.22	(5.52)	7,746.54
Subscription to stock option schemes	0.54	-	-	-	-	0.54
Issue of share capital	(1.16)	5.32	-	-	-	4.16
Transfer on exercise of stock options	-	17.92	(17.92)	-	-	-
Share based payments for options granted	-	-	7.94	-	-	7.94
As at March 31, 2019	0.54	6,580.62	269.32	914.22	(5.52)	7,759.18

* In accordance with Ind AS, remeasurement 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.

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

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

P R VENKETRAMA RAJA
Chairman
Chennai

SOUNDARA KUMAR
Director
Coimbatore

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Date : June 19, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	Year ended March 31, 2020 Rs. Mln.	Year ended March 31, 2019 Rs. Mln.
A. Cash flow from operating activities:		
Profit before tax	612.86	735.38
Adjustments for :		
Depreciation and impairment of property, plant and equipment (PPE)	64.05	63.98
Amortisation and impairment of intangible assets	456.67	430.50
Leased assets - Depreciation, impairment and finance costs	141.67	-
Share based payment expense accrual	9.18	7.95
(Profit) / loss on sale of PPE (net)	0.68	1.25
Bad debts / provision for bad debts, net	19.86	59.66
Remeasurement of defined benefit obligations	5.04	0.35
Effect of exchange difference on translation of deferred tax & fixed assets	0.01	0.01
Effect of change in foreign currency translation reserve	(29.24)	(16.13)
Unrealised exchange (gain) / loss	(162.18)	44.34
Finance and investment income	(125.70)	(75.23)
Finance costs	51.25	41.03
Operating profit before working capital / other changes	1,044.15	1,293.09
Adjustments for :		
Increase / (decrease) in provisions	4.90	4.70
Increase / (decrease) in trade and other payables	99.25	11.18
Increase / (decrease) in other current liabilities	60.36	(33.31)
(Increase) / decrease in trade and other receivables	(153.85)	(654.98)
Cash generated from operations	1,054.81	620.68
Income tax paid	(2.41)	-
Net cash flow from operating activities (A)	1,052.40	620.68
B. Cash flow from investing activities:		
Addition to tangible / Intangible assets	(575.79)	(529.58)
Proceeds from sale of PPE	1.31	2.02
Loans to subsidiaries (net)	(716.90)	(527.56)
Loan to other parties	-	(1.10)
Short term fixed deposits placed with Banks	(0.09)	(0.09)
Interest income on loans and deposits	115.69	71.08
Net cash used in investing activities (B)	(1,175.78)	(985.23)

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	Year ended March 31, 2020 Rs. Min.	Year ended March 31, 2019 Rs. Min.
C. Cash flow from financing activities:		
Proceeds from issue of Share Capital on account of issue of shares under Employee Stock Option Plans	0.69	5.83
Proceeds from long term borrowings	100.00	-
Proceeds from short term borrowings	3,701.90	3,008.13
Repayment of short term borrowings	(3,677.86)	(2,571.58)
Payment of lease liabilities	(116.52)	-
Finance income	10.01	4.15
Finance costs paid	(51.25)	(41.03)
Net cash from financing activities (C)	(33.03)	405.50
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(156.41)	40.95
Effect of unrealised exchange (gain) / loss	162.18	(44.34)
Net cash generated / (used in) for the year	5.77	(3.39)
Cash and cash equivalents at the beginning of the year	25.07	28.46
Cash and cash equivalents as at end of the year	30.84	25.07

Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings:

Balance at the beginning of the year		
Short term borrowings	802.99	366.44
Subtotal	802.99	366.44
Cash flows during the year		
Proceeds from long term borrowings	100.00	-
Movement in short term borrowings		
Proceeds	3,701.90	3,008.13
Repayment	(3,677.86)	(2,571.58)
Interest and finance charges on loans	51.25	41.03
Interest and finance charges on loans paid	(51.25)	(41.03)
Subtotal	124.04	436.55
Balance at the end of the year		
Long term borrowings	66.67	-
Short term borrowings	827.03	802.99
Current maturities of long term debt	33.33	-
Subtotal	927.03	802.99

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

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

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

Date : June 19, 2020

P R VENKETRAMA RAJA
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Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

NOTES TO SEPARATE (STANDALONE) FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**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, Core ERP, Human Resource & Payroll, Aviation Maintenance Repair & Overhaul, Logistics, Service Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or 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 June 19, 2020.

2. Basis of preparation of separate financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ('the Act') (to the extent notified), read with Companies (Indian Accounting Standards) Rules as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

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.

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 or at amortised cost at the end of each reporting period.

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. 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 (or part of it) is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not reinstated at each balance sheet date.

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 recognised in Other Comprehensive Income.

2.4 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised 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.

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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 realisation 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. Accounting policies

3.1 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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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

The Company derives revenues from Software Solutions & Services. Revenues are derived from the following streams:

- (1) Revenue from Software Products, in the form of (a) Software Licensing (b) Subscription for Software as a Service (c) Product Support Services and (d) Application Maintenance Services;
- (2) Revenue from Software Services, in the form of (a) Implementation / Professional Services (b) Managed Services;

(3) Revenue from Resale of Hardware & Software

Revenue is measured based on the transaction price, which is the consideration, adjusted for finance components and volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customers.

Revenue is recognised in the profit and loss account upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services or products and excluding taxes or duties. To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the contract value to separately identifiable performance obligations based on their relative stand-alone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognising revenues depends on the nature of the products sold / services rendered:

(1) Revenue from Software Products**(a) Software Licensing**

Software licensing 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 customisation of the underlying software, revenue is recognised on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

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.

(c) Product Support Services

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.

(d) Application Maintenance Services

Fees for the application maintenance services, covering inter alia the support of the customised software, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

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(e) Royalty income

Royalty income represents fees charged at arms-length basis on the revenue earned from external customers by the subsidiaries, by way of Software Licensing, Product Support Services, Subscription for Software as a Service and Application Maintenance Service, in respect of Company's Software Products. Such royalty income is recognised at the point of time at which the subsidiaries recognise the said revenue.

(2) Revenue from Software Services

(a) Implementation / Professional Services

Software Implementation / Professional Services contracts are either fixed price or time and material based.

Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognised using the "percentage of completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Where the Software is required to be substantially customised as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognised using the percentage of completion method as the implementation services are performed.

Revenues from implementation services in respect of hosting contracts are to be recognised as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship. However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognised in accordance with percentage of completion method.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

In the case of time and material contracts, revenue is recognised based on billable time spent in the project, priced at the contractual rate.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardisation set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognised in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(b) Managed Services

Fees for managed services, which include business processing services, are recognised as revenue as the related services are performed.

(3) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognised on transfer of significant risks, rewards and control to the customer.

Contract assets, liabilities and financing arrangements

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue).

Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue). The unbilled royalty revenue is also grouped here.

A contract liability is an entity's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue).

The Company assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

c. Finance income

Interest on bank deposits is recognised 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. 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. Current income tax payable by overseas branches of the Company if any is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income, and if not available, charged off in the profit and loss account.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow, all or part of the deferred income tax asset to be utilised.

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.

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Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.

Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

e. 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 capitalisation 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 capitalised 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 of various assets used by the Company are tabled below:

Asset type	Useful life in years
Building	60
Laptop & desktops	3
Server & networks	6
Furniture	10
Office equipment	5
Electrical items	10
Vehicles	8

An item of property, plant and equipment and any significant part initially recognised is de-recognised 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 de-recognised.

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.

f. Right-of-use assets

Leases

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases & related interpretation & guidance. The Company has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in note no. 3.2.

Policy applicable before April 01, 2019

For contracts entered before April 01, 2019, 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 fulfillment 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.

Policy applicable from April 01, 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use (“ROU”) assets

The Company recognises right-of-use assets at the commencement date, except short term leases and low value leases. The Company’s lease asset classes primarily consist of leases for Land, Buildings and Office equipments. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. They are subsequently measured at cost less accumulated depreciation and impairment losses.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

b) Lease liabilities

The Company recognises lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the initial application date i.e., April 01, 2019, because the interest rate implicit in the lease is not readily determinable. In respect of subsequent leases, the incremental borrowing rates are determined periodically, to calculate the present value of lease payments. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Short term leases and leases of low-value assets

The Company applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to such leases that are considered

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to be of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all 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.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalised software development costs, are not capitalised 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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

Software development costs

Research costs are expensed as incurred. Software development expenditures on product / platform are recognised as intangible assets when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale,
- Its intention to complete and its ability and intention to use or sell the asset,
- How the asset will generate future economic benefits,
- The availability of resources to complete the asset,
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of these assets begins from the year, following the year in which such development costs are incurred. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified and grouped as "Product software" under intangible assets. Similarly, costs incurred in the development of technology platform framework, which would enable the Company to provide solutions - both standard and customised - 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 capitalised upon grant of Patents.

The useful life of the above assets is estimated as under:

Asset type	Useful life in years
Self-generated R&D (Product software & Technology platform)	10
Computer software	6
Patents	10

h. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation 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 capitalised 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 capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation 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 capitalises 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. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method. Net realisable 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.

j. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

k. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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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 recognised 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 recognised nor disclosed.

I. Employee benefits expense

Short term employee benefits

Short term employee benefits viz., salaries, wages and other benefits are recognised 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 recognised based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognised 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".

m. Financial instruments

- 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.
- 2 Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- 3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

Financial assets

- 4 Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- 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.

- 6 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiaries are carried at cost (i.e.,) previous GAAP carrying amount as at the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Names 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.

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- 7 Financial assets are de-recognised (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 de-recognises 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.

- 8 Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- 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 on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience 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 lifetime. 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.

Financial liabilities

- 10 Financial liabilities comprises of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.
- 11 The Company measures its financial liabilities as below:

Measurement basis	Names 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.

- 12 Financial liabilities are de-recognised when and only when it is extinguished (i.e.,) when the obligation specified in the contract is discharged or cancelled or expired.
- 13 Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

n. 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.

o. Cash dividend

The Company recognises a liability to make cash dividend, when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity including applicable taxes.

p. 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.

q. 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 recognised 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 installments (i.e., the options vest pro rata over the vesting period), then each installment is treated as a separate share option grant because each instalment has a different vesting period.

r. 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 recognised 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.

s. 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.

t. Assets held for sale

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

3.2 Changes in accounting policies and disclosures

Ind AS 116 Leases, new standard effective April 01, 2019

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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The Company has lease contracts for various items of Building, Land and Office equipments. Before the adoption of Ind AS 116, the Company, as lessee, classified each of its leases at the inception date either as a finance lease or as an operating lease.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short term leases and leases of low-value assets. Refer note no. 3.1.(f) Leases, for the accounting policy beginning April 01, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019.

Leases previously classified as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected by the Company as on the date of initial application:

1. Applied a single discount rate in each country, to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
3. Excluded the initial direct costs from the measurement of the right-of-use asset.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Based on the above, as at April 01, 2019:

Right-of-use assets of Rs.648.29 Mln. including prepaid rentals of Rs.0.50 Mln. were recognised and presented separately in the balance sheet. Lease liabilities of Rs.647.79 Mln. were also recognised and presented accordingly.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 and the value of the lease liability as of April 01, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Rs. Mln.
Operating lease commitments as at March 31, 2019	948.79
Weighted average incremental borrowing rate as at April 01, 2019	9%
Discounted operating lease commitments as at April 01, 2019	650.47
Less:	
Commitments relating to short term leases	2.13
Commitments relating to leases of low-value assets	0.55
Lease liabilities as at April 01, 2019	647.79

3.3 Recent accounting pronouncements – Standards issued but not effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There are no such notifications which would be applicable from April 01, 2020.

4. Significant estimates and judgments

The preparation of the financial statements requires management to make judgments, 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 affects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information from market sources on the expected future performance of the Company. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties. 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 and 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 / amortisation / impairment.

Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management’s judgment by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred tax asset (including MAT credit entitlement)

Significant management judgment 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 judgment 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 judgment 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 judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

Impairment of Investments in Subsidiaries / Associate

Significant management judgement is exercised in determining whether the investment in subsidiaries / associate are impaired or not, is on the basis of its nature of long term strategic investments and other business considerations.

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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 judgment is exercised in establishing fair values. Judgments 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.

Revenue recognition

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Company applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Company exercises judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgment is also required to determine the transaction price for the contract.

The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment or which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5. Property, plant and equipment

Rs. Mln.

Particulars	Building	Laptops and Desktops	Servers and Networks	Furniture	Office Equipments	Electrical Items	Vehicles	Total
Gross carrying value								
As at April 01, 2018	3.12	127.20	90.25	22.13	52.87	14.82	34.66	345.05
Additions	-	29.99	57.22	1.88	6.70	0.70	5.53	102.02
Disposals	-	(9.98)	(2.47)	(0.06)	-	(0.02)	(4.96)	(17.49)
Exchange difference	-	-	-	-	0.03	0.01	-	0.04
As at March 31, 2019	3.12	147.21	145.00	23.95	59.60	15.51	35.23	429.62
Additions	-	26.83	30.62	2.13	4.74	0.02	3.35	67.69
Disposals	-	(21.76)	(26.52)	(0.01)	(0.03)	(0.28)	(2.57)	(51.17)
Exchange difference	-	-	-	0.01	0.06	0.02	-	0.09
As at March 31, 2020	3.12	152.28	149.10	26.08	64.37	15.27	36.01	446.23
Depreciation								
As at April 01, 2018	1.84	95.06	51.72	8.92	30.79	7.59	15.97	211.89
For the year	0.05	24.38	23.09	2.07	8.88	1.26	4.25	63.98
Disposals	-	(9.95)	(1.16)	(0.03)	-	(0.01)	(3.05)	(14.20)
Exchange difference	-	-	-	-	0.04	-	-	0.04
As at March 31, 2019	1.89	109.49	73.65	10.96	39.71	8.84	17.17	261.71
For the year	0.05	25.50	22.27	2.21	8.64	1.25	4.13	64.05
Disposals	-	(21.76)	(26.52)	-	(0.01)	(0.05)	(0.84)	(49.18)
Exchange difference	-	(0.01)	0.01	0.01	0.06	0.02	-	0.09
As at March 31, 2020	1.94	113.22	69.41	13.18	48.40	10.06	20.46	276.67
Carrying value								
As at March 31, 2019	1.23	37.72	71.35	12.99	19.89	6.67	18.06	167.91
As at March 31, 2020	1.18	39.06	79.69	12.90	15.97	5.21	15.55	169.56

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6. Right-of-use assets

Rs. Mln.

Particulars	Land	Building	Office equipments	Total
Gross carrying value				
As at April 01, 2019	626.82	19.04	2.43	648.29
Additions	5.62	-	-	5.62
Disposals	-	-	-	-
Exchange difference	0.54	-	-	0.54
As at March 31, 2020	632.98	19.04	2.43	654.45
Depreciation				
As at April 01, 2019	-	-	-	-
For the year	78.97	4.77	1.62	85.36
Disposals	-	-	-	-
Exchange difference	0.19	-	-	0.19
As at March 31, 2020	79.16	4.77	1.62	85.55
Carrying value				
As at April 01, 2019	626.82	19.04	2.43	648.29
As at March 31, 2020	553.82	14.27	0.81	568.90

7. Intangible assets

Rs. Mln.

Particulars	Technology Platform	Product Software	Patents	Computer Software	Total
Gross carrying value					
As at April 01, 2018	1,477.10	3,909.75	14.23	176.43	5,577.51
Additions	117.99	300.13	-	9.45	427.57
Deletions	-	-	-	-	-
As at March 31, 2019	1,595.09	4,209.88	14.23	185.88	6005.08
Additions	94.85	379.52	-	33.72	508.09
Deletions	-	-	-	(39.08)	(39.08)
As at March 31, 2020	1,689.94	4,589.40	14.23	180.52	6,474.09
Amortisation					
As at April 01, 2018	874.72	2,143.30	9.13	114.58	3,141.73
For the year	104.59	302.89	1.43	21.59	430.50
Impairment loss	-	-	-	-	-
As at March 31, 2019	979.31	2,446.19	10.56	136.17	3,572.23
For the year	108.31	318.94	1.27	28.15	456.67
Impairment loss	-	-	-	(39.08)	(39.08)
As at March 31, 2020	1,087.62	2,765.13	11.83	125.24	3,989.82
Carrying value					
As at March 31, 2019	615.78	1,763.69	3.67	49.71	2,432.85
As at March 31, 2020	602.32	1,824.27	2.40	55.28	2,484.27

a) Financials of research and development activities (R&D), based on separate books of accounts maintained are separately enclosed.

b) For the details of security to borrowings, refer note no.14.1.

	As at March 31, 2020	As at March 31, 2019
	Rs. Mln.	Rs. Mln.
8. Investment in subsidiaries		
Equity investments in subsidiaries measured at deemed cost, long term, trade, unquoted		
192,729,550 Shares in Ramco Systems Corporation, USA of paid-up value of USD 0.0145 each (as at March 31, 2019 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 March 31, 2019 1,400,000 Shares CHF 1 each)	441.70	441.70
31,135,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at March 31, 2019 23,470,000 Shares @ SGD 1 each)	1,511.74	1,116.08
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (as at March 31, 2019 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 March 31, 2019 19,350,100 Shares @ ZAR 1 each)	99.02	99.02
50 Shares in Ramco Systems FZ-LLC, Dubai of AED 1000 each (as at March 31, 2019 50 Shares @ AED 1000 each)	0.62	0.62
16,393,000 Shares in Ramco Systems Australia Pty Ltd, Australia, of AUD 1 each (as at March 31, 2019 10,378,000 Shares @ AUD 1 each)	795.24	526.13
100,000 Shares in R S L Software Co. Ltd., Sudan, of SDG 1 each (as at March 31, 2019 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 March 31, 2019 11,750,000 Shares @ PHP 1 each)	17.44	17.44
1,000,000 Shares in Ramco Systems (Shanghai) Co. Ltd., Shanghai, of face value of CNY 1 each (as at March 31, 2019 1,000,000 Shares @ CNY 1 each)	10.41	10.41
5,625,000 Shares in Ramco System Vietnam Company Ltd., Vietnam of face value of VND 1000 each (as at March 31, 2019 5,625,000 Shares @ VND 1000 each)	16.44	16.44
3,375,000 Shares in PT Ramco Systems Indonesia, Indonesia, of face value of IDR 1000 each (as at March 31, 2019 3,375,000 Shares @ IDR 1000 each)	16.28	16.28
Aggregate value of unquoted investments	<u>3,672.60</u>	<u>3,007.83</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.395.66 Mln. (SGD 7.66 Mln.) to equity (Previous year Nil).
- b. Movement in investment in Ramco Systems Australia Pty Ltd, Australia represents conversion of loan of Rs.269.11 Mln. (AUD 6.01 Mln.) to equity (Previous year Nil).

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	As at March 31, 2020 Rs. Mln.	As at March 31, 2019 Rs. Mln.
9. Financial assets		
9.1 Loans receivables		
Non-current		
Unsecured, considered good		
Loans receivables - other than related parties	-	40.00
	<u>-</u>	<u>40.00</u>
Current		
Unsecured, considered good		
Loans receivables - subsidiaries	1,048.68	996.55
Loans receivables - other than related parties	-	12.49
	<u>1,048.68</u>	<u>1,009.04</u>
Loans receivables are non-derivative financial assets and are carried at amortised cost.		
Loans receivables – subsidiaries carry an interest rate of 8.75% p.a. (previous year 9.85% p.a. to 10.25% p.a.) and are repayable on demand.		
Loans receivables - other than related parties carry an interest rate of 10% p.a. and are repayable in equated quarterly installments.		
9.2 Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)		
2,335 Shares in SmartMegh Solutions Pvt Ltd., India of face value of Rs.10 each (as at March 31, 2019 2,335 Shares @ Rs.10 each)	15.00	15.00
Aggregate value of unquoted investment	<u>15.00</u>	<u>15.00</u>
Aggregate amount of impairment in value of investment	-	-
9.3 Trade receivables		
Non-current		
Unsecured, considered good		
Trade receivables - other than related parties	5.40	11.80
Unsecured, considered doubtful		
Trade receivables - other than related parties - credit impaired	56.73	69.00
	<u>62.13</u>	<u>80.80</u>
Less: Impairment loss	56.73	69.00
	<u>5.40</u>	<u>11.80</u>
Current		
Unsecured, considered good		
Trade receivables - subsidiaries (refer note no.28)	954.62	1,235.22
Trade receivables - other related parties	0.94	-
Trade receivables - other than related parties	406.81	333.51
	<u>1,362.37</u>	<u>1,568.73</u>
Less: Impairment loss	7.08	1.56
	<u>1,355.29</u>	<u>1,567.17</u>

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables - other than related parties are non-interest bearing and are normally on terms of 30 to 90 days, except the contracts which are entered with deferred credit terms.

For details and terms and conditions relating to related parties, refer note no. 28.

	As at March 31, 2020 Rs. Mln.	As at March 31, 2019 Rs. Mln.
9.4 Other financial assets		
Non-current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	52.65	43.42
Unbilled royalty revenue - subsidiaries (refer note no. 28)	63.19	-
Security deposit	19.52	9.11
Employee advances	0.52	0.86
Unsecured, considered doubtful		
Unbilled license revenue - other than related parties - credit impaired	33.12	31.65
	<u>169.00</u>	<u>85.04</u>
Less: Impairment loss	33.12	33.70
	<u>135.88</u>	<u>51.34</u>
Current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	139.49	116.68
Unbilled royalty revenue - subsidiaries (refer note no. 28)	67.42	-
Security deposit	3.71	11.65
Insurance claims receivable	18.20	-
Employee advances	17.73	15.80
Foreign currency forward contract	4.93	1.31
Bank deposits held as margin money	2.98	2.89
Balance with Banks in share issue accounts	0.09	0.63
	<u>254.55</u>	<u>148.96</u>
Less: Impairment loss	3.33	-
	<u>251.22</u>	<u>148.96</u>
9.5 Cash and cash equivalents		
Cash on hand	0.26	0.21
Balances with Banks in Current Accounts	30.58	24.86
	<u>30.84</u>	<u>25.07</u>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

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10. Taxes

(a) Deferred tax (asset) / liability

Rs. Mln.

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Tax impact on difference between book depreciation/amortisation and depreciation under the Income Tax Act, 1961	699.73	834.84	(135.11)	(7.14)
Tax impact on unutilised carry forward losses	(512.21)	(681.46)	169.25	229.46
Tax effect of provision for gratuity	(4.53)	(7.78)	3.25	(2.91)
Tax effect of provision for compensated absences	(18.00)	(20.60)	2.60	(1.29)
Tax effect of provision for bad and doubtful debts / advances	(46.19)	(52.34)	6.15	(4.85)
Tax impact on all other items	(4.00)	(2.06)	(1.94)	0.84
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	6.63	6.21	0.43	0.12
Deferred tax (asset) / liability (net)	121.43	76.81		
Deferred tax (income) / expense (net)			44.63	214.23

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

Particulars	Balance Sheet as at	
	March 31, 2020	March 31, 2019
i) Deferred tax (asset) / liability		
Opening balance	76.82	(137.41)
Deferred tax (income) / expense during the year recognised in Statement of Profit and Loss	44.20	214.11
Deferred tax (income) / expense during the year recognised in OCI	0.43	0.12
Closing balance	121.45	76.82
ii) MAT credit		
Opening balance	(451.13)	(294.24)
MAT credit for the current / previous year(s)	(99.43)	(156.89)
Closing balance	(550.56)	(451.13)
iii) Provision for MAT credit *		
Opening balance	-	-
Provision for FY 17-18 and FY 18-19	239.71	-
Provision for the current year	80.04	-
Closing balance	319.75	-
Total deferred tax (asset) / liability (i + ii + iii)	(109.36)	(374.31)

* represents provision for, MAT credit created by the utilization of foreign WHT for the discharge of MAT liability, which is denied by virtue of insertion of proviso to sub section 2A of section 115JAA. The Company had always believed that it had a good case that this credit could be cashed. Now the Company will be filing a Writ petition challenging the said proviso in the jurisdictional High Court on the basis of the legal opinion obtained. The Company will continue to make provision for such MAT credit availed, going forward until disposal of the case.

Rs. Mln.

(c) Components of tax expenses

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
(i) Statement of profit and loss		
Current tax		
Current Income Tax charge (including MAT)	99.43	159.31
Deferred tax		
Relating to the origination and reversal of temporary differences	44.20	214.11
MAT credit for the current / previous year(s)	(99.43)	(156.89)
Provision for MAT credit (refer note no. 10 (b) (iii) above)	319.75	-
Total tax (income) / expenses reported in statement of profit and loss	363.95	216.52
(ii) Other comprehensive income (OCI)		
Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	0.43	0.12
Total tax (income) / expense (net)	0.43	0.12
(iii) Total tax (income) / expense reported in the total comprehensive income	364.38	216.64

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarised below:

Accounting profit before tax	612.86	735.38
Less: Adjustment from carry forward losses	€12.26	735.38
Corporate tax rate %	29.120%	34.944%
Computed tax expense	-	-
Increase / (reduction) in taxes on account of:		
MAT on above mentioned accounting profit before tax	107.08	158.46
Tax adjustments of earlier years	(2.64)	2.03
Non-deductible expenses	2.42	15.58
Branch tax for which no credit availed	-	2.41
Additional allowances / deductions for tax purposes	(7.43)	(19.18)
	99.43	159.31
Deferred tax income / (expense) recognition during the year	44.20	214.11
MAT credit for the current / previous year(s)	(99.43)	(156.89)
Provision for MAT credit (refer 10 (b) (iii) above)	319.75	-
Tax (income) / expense reported in the statement of profit and loss	363.95	216.52
Tax (income) / expense reported in the other comprehensive income	0.43	0.12

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	As at March 31, 2020 Rs. Mln.	As at March 31, 2019 Rs. Mln.
11. Other assets		
Non-current		
Unsecured, considered good		
Prepaid expenses	0.45	4.57
Advance to suppliers and service providers #	68.00	-
Unbilled services revenue	-	0.66
Unsecured, considered doubtful		
Unbilled services revenue - credit impaired	54.47	43.33
	122.92	48.56
Less: Impairment loss	54.47	43.33
	68.45	5.23
Current		
Unsecured, considered good		
Prepaid expenses	43.39	25.28
Advance to suppliers and service providers *#	25.33	30.70
Unbilled services revenue	314.77	248.82
Statutory advances	44.91	39.82
	428.40	344.62
Less: Impairment loss	3.88	2.20
	424.52	342.42

* Includes prepayment to Gratuity fund Rs.14.45 Mln., (previous year Rs.0.67 Mln.) (refer note no. 21.1).

Advance to suppliers and service providers are given in the normal course of business and adjusted against subsequent supplies / services.

12. Equity share capital				
Authorised share capital				
50,000,000 (as at March 31, 2019 - 50,000,000) Equity Shares of Rs.10 each	500.00		500.00	
Issued and subscribed capital				
30,952,359 (as at March 31, 2019 - 30,942,000) Equity Shares of Rs.10 each	309.52		309.42	
Paid-up capital				
30,603,181 (as at March 31, 2019 - 30,592,822) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	306.39		306.28	
	306.39		306.28	

12.1 The reconciliation of share capital for the year	2019-20		2018-19	
	No. of shares	Rs. Mln.	No. of shares	Rs. Mln.
At the beginning of the year	30,592,822	306.28	30,539,183	305.75
Addition during the year under employee stock option schemes	10,359	0.11	53,639	0.53
At the end of the year	30,603,181	306.39	30,592,822	306.28

12.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of Rs.10 each. The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3 Shareholders holding more than 5 percent in the shares of the Company

Name of the Share Holder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
P R Venketrama Raja	3,353,366	10.96	3,353,366	10.96
Ramco Industries Limited	5,467,376	17.87	5,467,376	17.87
The Ramco Cements Limited	5,417,810	17.70	5,417,810	17.71
HDFC Trustee Company Limited - HDFC Equity Fund & A/C HDFC Balanced Advantage Fund	2,247,400	7.34	2,247,400	7.35
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund A/C & Nippon India Retirement Fund - Wealth Creation Scheme	1,704,031	5.57	-	-

12.4	Number of non-resident shareholders	343	341
	Number of shares held by the non-resident shareholders	663,484	726,620
	Dividend remitted in foreign currency	Nil	Nil

12.5 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 March 31, 2020		As at March 31, 2019	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOP 2000	169	-	-	734	0.12
ESOS 2003	169	-	-	944	0.16
ESOS 2008	51	31,303	1.60	34,349	1.75
	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	19,018	1.71	19,273	1.73
	110	9,440	1.04	9,440	1.04
	356	85,125	30.30	90,125	32.08
ESOS 2009 - Plan B	90	49,894	4.49	52,090	4.69
	10	29,308	0.29	29,308	0.29
	356	73,967	26.33	80,217	28.56
ESOS 2013	356	61,222	21.80	61,222	21.80
	155	224,354	34.77	229,354	35.55
	10	10,245	0.10	10,245	0.10
	482	32,125	15.48	32,125	15.48

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Name of Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2020		As at March 31, 2019	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2013	250	10,000	2.50	10,000	2.50
	426	2,500	1.07	2,500	1.07
	462	5,000	2.31	5,000	2.31
	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	17,500	11.88
	307	12,874	3.95	12,874	3.95
	613	13,125	8.05	13,125	8.05
ESOS 2014	1066	11,250	11.99	11,250	11.99
	533	12,500	6.66	12,500	6.66
	399	5,000	2.00	5,000	2.00
	797	2,500	1.99	2,500	1.99
	345	5,000	1.73	10,000	3.45
	690	2,500	1.73	5,000	3.45
	10	53,950	0.54	54,377	0.54
	222	1,124	0.25	1,124	0.25
	257	748	0.19	748	0.19
	351	4,000	1.40	4,000	1.40
	377	10,575	3.99	10,575	3.99
	443	1,250	0.55	1,250	0.55
	513	1,250	0.64	1,250	0.64
	701	2,000	1.40	2,000	1.40
	753	6,000	4.52	6,000	4.52
	184	5,000	0.92	5,000	0.92
	193	10,000	1.93	10,000	1.93
	202	-	-	1,188	0.24
	214	7,500	1.61	7,500	1.61
	228	17,500	3.99	17,500	3.99
	277	12,500	3.46	12,500	3.46
	367	2,500	0.92	2,500	0.92
	385	5,000	1.93	5,000	1.93
	404	-	-	594	0.24
	427	3,750	1.60	3,750	1.60
	455	8,750	3.98	8,750	3.98
	553	6,250	3.46	6,250	3.46
	163	17,375	2.83	20,000	3.26
	186	20,000	3.72	20,000	3.72
	326	8,688	2.83	10,000	3.26
372	10,000	3.72	10,000	3.72	
80	12,500	1.00	-	-	
160	6,250	1.00	-	-	
Total		1,052,887	267.80	1,071,208	276.03

Further details of the above Schemes can be obtained from ANNEXURE II to the Board's Report

	As at March 31, 2020	As at March 31, 2019
	Rs. Mln.	Rs. Mln.
13. Other equity		
Securities Premium	6,585.58	6,580.62
Currency translation reserve	(34.76)	(5.52)
Employee stock options outstanding	274.12	269.32
Retained earnings	1,167.74	914.22
Share application money pending allotment (refer note no.13.1)	-	0.54
	<u>7,992.68</u>	<u>7,759.18</u>

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.

13.1 Share application money pending allotment

a) Terms and conditions	Refer note below	Refer note below
b) Number of shares proposed to be issued (no.)	Nil	3,500
c) Amount of premium (Rs. Mln.)	Nil	0.51
d) The period before which shares are to be allotted	Not Applicable	Refer note below
e) Whether the company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money	Not Applicable	Yes
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

Note: The share application money pending allotment as at March 31, 2019 represents receipt pursuant to the exercise of options under the Employee Stock Option Scheme ESOS 2013 of the Company. Under the said scheme, one share of Rs.10 each, at a premium of Rs.145 for 3,500 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.

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	As at March 31, 2020	As at March 31, 2019
	Rs. Mln.	Rs. Mln.
14. Financial liabilities		
14.1 Borrowings		
Non-current		
Term loans from Banks, secured		
Axis Bank Limited	66.67	-
	66.67	-

Details of loan

This loan is secured by charge on all unencumbered fixed assets of the company excluding building. Here, fixed assets denote the assets falling under property, plant and equipment. Term Loan borrowings carry interest rate linked to twelve months MCLR which stood at 8.10% p.a. at the reporting date. The interest rate is reset on yearly basis. The term loan is repayable in equal half yearly instalments on various dates as per the grouped maturity profile given below:

Repayment due in	No. of instalments	Rs. Mln.
2020-21	2	33.33
2021-22	2	33.33
2022-23	2	33.34
	<u>6</u>	<u>100.00</u>
Less: Transferred to current maturities of long term loans	2	33.33
Total	4	66.67
Current		
Loans repayable on demand from Banks, secured		
Axis Bank Limited - Cash credit	12.65	17.61
Loans from Banks, secured		
Axis Bank Limited	150.00	110.50
IDBI Bank Limited	100.00	50.00
Loans from Banks, unsecured		
Kotak Mahindra Bank Limited	349.38	377.38
HDFC Bank Limited	215.00	247.50
	827.03	802.99

1. Security details

Loans from Axis Bank Limited, outstanding as at March 31, 2020 are secured by pari passu first charge on the current assets, both present and future of the Company. The loans outstanding as at March 31, 2019 are secured by pari passu first charge on the current assets, both present and future and unencumbered fixed assets excluding building of the Company.

Loans from IDBI Bank Limited, outstanding as at March 31, 2020 and March 31, 2019 are secured by pari passu first charge on the receivables (ie., trade receivables, both current and non-current), both present and future, of the Company.

2. Interest rate

Above loans from Banks are in the form of Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WC DL) and Cash Credit and carry interest ranging from 1.44% p.a. to 8.40% p.a.

14.2 Leases

The Company has adopted Ind AS 116 “Leases” with the date of initial application being April 01, 2019. The Company has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019, and as a result, the comparative information for the earlier period has not been restated. The Company has lease contracts for various items of Building, Land and Office equipments used in its operations. There are several lease contracts that include extension and termination options and variable lease payments.

Disclosures in respect of Leases are given below:

- a) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2020 are as follows:

Particulars	Rs. Mln.			
	Building	Land	Office equipments	Total
As at April 01, 2019	626.82	19.04	2.43	648.29
Additions during the year	5.62	-	-	5.62
Depreciation charge for the year	(78.97)	(4.77)	(1.62)	(85.36)
Foreign exchange (Gain)/Loss	0.35	-	-	0.35
As at March 31, 2020	553.82	14.27	0.81	568.90

- b) The movement in lease liabilities during the year ended March 31, 2020 are as follows:

Particulars	Rs. Mln.			
	Building	Land	Office equipments	Total
As at April 01, 2019	626.32	19.04	2.43	647.79
Additions during the year	5.62	-	-	5.62
Interest expense	54.58	1.58	0.15	56.31
Lease payments	(109.12)	(5.05)	(1.81)	(115.98)
Foreign exchange (Gain)/Loss	0.31	-	-	0.31
As at March 31, 2020	577.71	15.57	0.77	594.05

- i) The reconciliation of lease liabilities as at April 01, 2019 to the operating lease commitments as on March 31, 2019 is given in note no.3.2.

- ii) The break-up of current and non-current lease liabilities as at March 31, 2020 are as follows:

Non current	527.23
Current	66.82
	594.05

- c) The following are the amounts recognised in profit or loss for the year ended March 31, 2020:

Depreciation expense of right-of-use assets	85.37
Interest expense on lease liabilities	56.31
Expense relating to short term leases (included in Other expenses)	2.17
Expense relating to leases of low-value assets (included in Other expenses)	0.81
Variable lease payments (included in Other expenses)	0.52
Total amount recognised in profit or loss	145.18

Note: Had the accounting under Ind AS 17 been continued in the current year also, Rs.116.52 Mln. would have been recognised in the P&L as lease rental expenses under the head Other expenses.

- d) The Company had total cash outflows for leases of Rs.120.02 Mln. during the year ended March 31, 2020.
- e) The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Less than 1 year	117.39
1 to 5 years	404.18
More than 5 years	315.03
	836.60

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	As at March 31, 2020	As at March 31, 2019
	Rs. Mln.	Rs. Mln.
14.3 Trade payables		
Current		
Total outstanding dues of micro, small and medium enterprises	17.11	8.54
	17.11	8.54
Total outstanding dues of creditors, other than micro, small and medium enterprises		
Trade payables - subsidiaries (refer note no. 28)	66.44	46.78
Trade payables - other related parties (refer note no. 28)	2.69	1.03
Trade payables - others	172.85	155.98
	241.98	203.79

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

Dues to micro, small and medium enterprises	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.		Rs. Mln.	
	Principal	Interest	Principal	Interest
Amount due	17.11	-	8.54	-
Principal amount paid (includes unpaid) beyond the appointed date	NA	-	39.82	-
Interest due and payable for the year	NA	-	NA	-
Interest accrued and remaining unpaid (includes interest disallowable of Nil (March 31, 2019 Nil))	NA	-	NA	-
Interest disallowable under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NA	-	NA	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

14.4 Other financial liabilities		
Current		
Capital creditors	14.33	15.28
Current maturities of long term loans (refer note no.14.1)	33.33	-
Rental advances	0.50	0.40
Foreign currency forward contract	2.23	-
Employee welfare payables	2.54	2.54
	52.93	18.22
15. Provisions		
Non current		
Provision for gratuity (refer note no. 21.1)	6.98	4.63
Provision for leave encashment and other retiral (refer note no.15.1)	57.31	54.40
	64.29	59.03
Current		
Provision for gratuity (refer note no. 21.1)	0.25	0.56
Provision for leave encashment and other retiral (refer note no.15.1)	4.50	4.55
	4.75	5.11

	As at March 31, 2020	As at March 31, 2019
	Rs. Mln.	Rs. Mln.
15.1		
The Company provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognised in the statement of profit and loss account and the liabilities are recognised at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.		
Liability carried in the Balance Sheet :		
Leave encashment provision as per actuarial valuation	49.81	47.03
Leave encashment fixed commitment	9.29	9.41
Leave encashment provision by overseas branches	2.71	2.51
	61.81	58.95
The movement in the present value of the obligation is given below:		
Opening	47.03	43.22
Current service cost	4.51	6.07
Interest cost	3.38	3.11
Actuarial (gains) / losses	(2.27)	(0.89)
Benefits paid	(2.84)	(4.48)
Closing	49.81	47.03
	Year ended March 31, 2020	Year ended March 31, 2019
Costs considered in the statement of profit and loss (P&L) is given below:		
Costs accrued as per actuarial valuation	5.63	8.29
Costs accrued by overseas branches	0.03	0.18
	5.66	8.47
The movement in the P&L as per actuary is given below:		
Current service cost	4.51	6.07
Interest on obligation	3.38	3.11
Net actuarial (gains) / losses	(2.26)	(0.89)
Net cost recognised	5.63	8.29
	As at March 31, 2020	As at March 31, 2019
	Rs. Mln.	Rs. Mln.
16. Other liabilities		
Non current		
Unearned revenue	3.20	6.42
Advance from customers	6.74	-
	9.94	6.42
Current		
Unearned revenue	154.58	154.33
Statutory dues payable	37.72	34.96
Expenses payable	85.62	70.18
Contract obligation	48.00	14.00
Advance from customers	3.06	0.05
	328.98	273.52

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

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	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. Mln.	Rs. Mln.
17. Revenue from operations - disaggregated		
17.1 Product wise revenue		
Revenue from software products	1,400.27	1,815.01
Revenue from software services	1,643.79	1,334.91
Revenue from resale of software and hardware materials	14.42	7.02
	<u>3,058.48</u>	<u>3,156.94</u>
17.2 Geography wise revenue		
Americas	284.00	411.75
Europe	134.05	126.64
APAC	1,010.33	1,125.16
India	1,408.05	1,144.74
Middle East and Africa	222.05	348.65
	<u>3,058.48</u>	<u>3,156.94</u>
17.3 Business unit wise revenue		
ERP	1,336.77	1,269.30
HRP	1,155.58	1,224.98
Aviation	566.13	662.66
	<u>3,058.48</u>	<u>3,156.94</u>
17.4 Ind AS 115 - Revenue from Contract with Customers		
The Company derives revenue from Software Solutions & Services. The accounting policies are mentioned in note no. 3.1.b		
Remaining performance obligation		
The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by various factors including termination, changes in scope of contracts, adjustments for revenue that are not materialised and adjustments for currency. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the following:		
a) the remaining performance obligation for contracts where revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date including time and material, support service and subscription contracts and		
b) the remaining performance obligation in respect of other contracts, since those performance obligations have an original expected duration of one year or less in most of the cases.		
During the year ended March 31, 2020, the Company recognised revenue of Rs.139.18 Mln. (previous year Rs.186.66 Mln.) arising from opening unearned revenue of Rs.160.75 Mln. (previous year Rs.196.35 Mln.) as at April 01, 2019.		
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract Price	3,070.98	3,164.83
Reduction towards implied financing component	(12.50)	(7.89)
Revenue recognised	<u>3,058.48</u>	<u>3,156.94</u>

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.		Rs. Mln.	
17.5 Earnings in foreign exchange				
Export of goods and services on FOB basis	1,197.63		1,106.13	
Royalty	552.22		951.11	
Interest	123.48		66.88	
	<u>1,873.33</u>		<u>2,124.12</u>	
18. Finance income				
Interest income - loan to subsidiaries (refer note no. 28)	115.58		65.96	
Interest income - other than related parties	22.64		21.31	
	<u>138.22</u>		<u>87.27</u>	
19. Other income				
Profit on sale of property, plant and equipments	-		0.01	
Other income	0.86		0.79	
	<u>0.86</u>		<u>0.80</u>	
20. Value of consumption of imported and indigenous raw materials and spare parts				
	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	%	Rs. Mln.	%
Resale materials				
Imported	6.36	96.34	1.56	65.92
Indigenous	0.24	3.66	0.81	34.08
	<u>6.60</u>	<u>100.00</u>	<u>2.37</u>	<u>100.00</u>
20.1 CIF value of imports				
Resale materials			6.26	1.56
Capital goods			23.28	9.77
			<u>29.54</u>	<u>11.33</u>
21. Employee benefit expense				
Salaries, wages and bonus			1,067.26	953.20
Share based payments			9.18	7.95
Provident fund and other contributions			63.68	59.64
Gratuity and other retirals (refer note no. 21.1)			40.26	35.55
Staff welfare			36.96	36.79
			<u>1,217.34</u>	<u>1,093.13</u>

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	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. Min.	Rs. Min.
21.1 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	63.68	59.64
Superannuation fund	15.11	14.34
National pension system	3.56	3.24
Other pension schemes by overseas branches	0.38	0.19
Defined benefit plan contribution by the employer:		
Gratuity fund, including adjustments based on actuarial valuation	19.60	16.89
Gratuity commitment by overseas branches	1.61	0.89
The movement in Gratuity (the defined benefit plan) is given below:		
Current service cost	20.70	17.84
Interest on obligation	13.02	11.81
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	(14.12)	(12.76)
Net cost recognised in the statement of profit and loss	<u>19.60</u>	<u>16.89</u>
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	2.00	(0.43)
Actuarial (gains) / losses	(7.04)	0.08
Net (gain) / loss recognised in the other comprehensive income	<u>(5.04)</u>	<u>(0.35)</u>
Movements in the present value of the defined benefit obligation in the current and previous year were as follows:		
Opening defined benefit obligation	179.61	162.00
Current service cost	20.70	17.84
Interest cost	13.02	11.81
Actuarial (gains) / losses	(7.04)	0.08
Benefits paid	(7.64)	(12.13)
Closing defined benefit obligation	<u>198.64</u>	<u>179.61</u>
Movements in the present value of the plan assets in the current and previous year were as follows:		
Opening fair value of plan assets	180.27	169.62
Expected return on plan assets	14.12	12.76
Actuarial (gains) / losses	(2.00)	0.43
Contributions from the employer	28.34	9.59
Benefits paid	(7.64)	(12.13)
Closing fair value of plan assets	<u>213.09</u>	<u>180.27</u>

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Rs. Mln.	Rs. Mln.
Present value of funded defined benefit obligation	198.64	179.60
Less: Fair value of plan assets	213.09	180.27
Present value of funded defined benefit obligations / (asset)	(14.45)	(0.67)
Gratuity liability maintained by overseas branches	7.23	5.19
Investment details:		
Funds with LIC	213.09	180.27

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Discount rate	6.50%	7.41%
Future salary increase	3% p.a. in year 1 and 8% p.a. thereafter	9%

A quantitative sensitivity analysis for significant assumptions are below:

Particulars	For the year ended March 31, 2020				
	Discount rate		Future salary increase		
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	
Increase / (decrease) on defined benefit obligation in Rs. Mln	(10.01)	10.80	10.85	(10.16)	
Particulars					
For the year ended March 31, 2019					
Assumptions		Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	
Increase / (decrease) on defined benefit obligation in Rs. Mln	(8.73)	9.39	9.43	(8.85)	

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.

	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. Mln.	Rs. Mln.
The following payments are expected benefit payouts to the defined benefit plan in future years:		
Within the next 12 months (next annual reporting period)	5.97	6.82
1 - 2 years	11.87	10.40
2 - 3 years	7.95	10.68
3 - 4 years	10.42	9.60
4 - 5 years	13.85	11.72
Beyond 5 years	91.10	90.85
Total expected payments	141.16	140.07

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	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. Mln.	Rs. Mln.
22. Finance costs		
Interest on loans	49.22	39.97
Interest on leased assets	56.31	-
Interest others	0.07	0.26
Other finance costs on loans	1.96	0.80
	<u>107.56</u>	<u>41.03</u>
23. Depreciation and amortization expense		
Depreciation on property, plant and equipment	64.05	63.98
Depreciation on leased assets	85.36	-
Amortization of intangible assets	456.67	430.50
	<u>606.08</u>	<u>494.48</u>
24. Other expenses		
Advertisement and sales promotion	106.91	85.33
Bank charges	3.21	0.84
Bad debts / provision for bad debts, net	19.86	59.66
Consultancy charges	24.25	38.14
Corporate social responsibility expenditure	12.21	9.27
Foreign exchange fluctuation, net	(126.67)	(7.41)
Insurance	6.49	6.87
Loss on sale of property, plant and equipment	0.68	1.26
Office maintenance	38.16	24.22
Outsourcing costs	165.34	136.11
Power & fuel	25.60	27.61
Printing & stationery	1.63	2.33
Postage, telephone and communication	41.95	45.02
Rent	85.42	190.47
Repairs - building	3.90	18.30
Repairs - plant and machinery	45.38	74.97
Repairs - others	12.73	7.72
Rates and taxes	22.16	27.28
Sales commission and other selling expenses	8.72	10.13
Software subscription and maintenance	13.06	9.73
Travelling and conveyance	75.57	81.73
Miscellaneous expenses	60.56	29.04
	<u>647.12</u>	<u>878.62</u>

24.1 Movement in provision for bad & doubtful debts

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Rs. Mln.	Rs. Mln.
Balance at the beginning	149.79	135.90
Provisions for the year	19.86	59.66
Translation differences	1.20	0.69
Provision utilised for write off	(12.24)	(46.46)
Balance at the end	158.61	149.79

Expenses recognised in statement of profit and loss

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
	Rs. Mln.	Rs. Mln.
Provisions for the year	19.86	59.66
Provision utilised for write off reversed to P&L	(12.24)	(46.46)
Amounts written off	12.24	46.46
Bad debts / provision for bad debts, net	19.86	59.66

25. Expenditure in foreign currency on account of

Professional / consultancy charges	4.56	1.45
Travelling	130.67	116.25
Reimbursement of expenses to subsidiaries	85.82	74.67
Others	227.17	155.43
	448.22	347.80

26. Fees paid to Statutory Auditors (Excluding GST)

Statutory Audit	1.80	1.50
Company law matters	0.03	0.03
Other certification	0.54	0.31
	2.37	1.84

27. 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 March 31, 2020 is Rs.12.21 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	12.21	-	12.21

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28. Related party transactions

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Subsidiary companies

1. Ramco Systems Corporation, USA
2. Ramco Systems Ltd., Switzerland
3. Ramco Systems Pte. Ltd., Singapore
4. Ramco Systems Sdn. Bhd., Malaysia
5. RSL Enterprise Solutions (Pty) Ltd., South Africa
6. Ramco Systems Canada Inc., Canada (wholly owned subsidiary of Ramco Systems Corporation, USA)
7. Ramco Systems FZ-LLC, Dubai
8. R S L 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 Ltd., Vietnam
13. PT Ramco Systems Indonesia, Indonesia
14. Ramco Systems Macau Limited, Macau (wholly owned subsidiary of Ramco Systems Pte., Singapore)

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

1. Mr. P R Venketrana Raja, Chairman
2. Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director
3. Mr. Virender Aggarwal, Chief Executive Officer
4. Mr. R Ravi Kula Chandran, Chief Financial Officer
5. Mr. P R Karthic, Company Secretary upto October 11, 2019
6. Mr. N E Vijaya Raghavan, Company Secretary w.e.f. February 14, 2020
7. Mr. M M Venkatachalam, Independent Director
8. Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
9. Mr. R S Agarwal, Independent Director
10. Mrs. Soundara Kumar, Independent Director
11. Mr. Sankar Krishnan, Independent Director upto May 22, 2019, Non-Independent Director w.e.f. May 22, 2019
12. Justice Mr. P P S Janarthana Raja (Retd.), Independent Director

c. Relatives of KMP

1. Mr. P R Venketrana Raja, Father of Mr. P V Abinav Ramasubramaniam Raja
2. Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja
3. Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam Raja
4. Mrs. R Sudarsanam, Mother of Mr. P R Venketrana Raja
5. Mrs. S Saradha Deepa, Sister of Mr. P R Venketrana Raja
6. Mrs. R Nalina Ramalakshmi, Sister of Mr. P R Venketrana Raja

d. Enterprises over which the above persons exercise significant influence

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

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 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020	Transaction during 2018-19	Outstanding as at March 31, 2019
Income from sale of goods & services					
Ramco Systems Corporation, USA	178.58	119.49	-	170.09	113.41
Ramco Systems Canada Inc., Canada	2.11	1.76	-	1.26	0.01
Ramco Systems Ltd., Switzerland	21.20	3.67	-	8.86	1.67
Ramco Systems Sdn. Bhd., Malaysia	71.03	58.16	-	79.53	57.15
Ramco Systems Pte. Ltd., Singapore	238.90	162.91	-	195.61	138.01
R S L Enterprise Solutions (Pty) Ltd., South Africa	31.51	2.54	-	34.09	16.28
Ramco Systems FZ-LLC, Dubai	163.20	42.95	-	137.00	73.69
RSL Software Co. Ltd., Sudan	-	15.24	-	0.16	13.97
Ramco Systems Australia Pty Ltd, Australia	118.93	94.41	-	134.63	84.88
Ramco System Inc., Philippines	278.68	211.75	-	159.91	132.65
Ramco Systems (Shanghai) Co. Ltd., China	44.30	34.99	-	1.19	0.99
PT Ramco Systems Indonesia, Indonesia	5.10	4.20	-	0.48	0.47
Ramco Systems Vietnam Company Ltd., Vietnam	1.00	-	-	-	-
The Ramco Cements Limited	252.91	-	-	123.33	-
Ramco Industries Limited	19.31	-	-	47.39	-
Rajapalayam Mills Limited	15.41	-	-	2.84	-
Rajapalayam Textile Limited	0.46	-	-	0.33	-
Sri Vishnu Shankar Mills Limited	1.75	-	-	1.30	-
Sandhya Spinning Mill Limited	1.34	-	-	1.11	-
Sri Harini Textiles Limited	0.37	-	-	0.11	-
The Ramaraju Surgical Cotton Mills Limited	2.37	-	-	1.47	-
Sudarsanam Estate	0.20	0.10	-	0.30	-
Swarna Bhoomi Estate	0.13	-	-	0.20	-
Thanga Vilas Estate	0.15	-	-	0.22	-
Ramco Welfare Trust	0.07	-	-	0.07	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.07	-	-	0.07	-
The Ramco Cements Limited Educational and Charitable Trust	0.29	-	-	0.29	-
Gowrihouse Metal Works LLP	0.58	0.53	-	0.67	-
P A C R Sethurammam Charity Trust	0.43	-	-	0.36	-
P A C R Sethurammam Charities	-	-	-	0.07	-
JKR Enterprises Limited	0.07	-	-	0.14	-
Madurai Trans Carrier Limited	1.04	-	-	1.23	-
Ramco Industrial and Technology Services Limited	0.59	0.31	-	-	-
Income from royalty					
Ramco Systems Corporation, USA	135.41	71.31	14.65	277.93	181.94
Ramco Systems Canada Inc., Canada	2.30	1.90	-	5.09	3.27
Ramco Systems Ltd., Switzerland	14.02	0.84	-	6.37	1.86
Ramco Systems Sdn. Bhd., Malaysia	26.52	15.99	0.48	71.88	38.48
Ramco Systems Pte. Ltd., Singapore	189.40	48.69	79.28	163.03	66.08
Ramco Systems FZ-LLC, Dubai	69.40	16.09	13.79	143.84	112.01
Ramco Systems Australia Pty Ltd, Australia	42.87	22.01	5.02	125.44	96.13
Ramco System Inc., Philippines	42.63	20.56	5.64	140.06	87.41
Ramco Systems (Shanghai) Co. Ltd., China	22.44	3.35	9.94	10.88	9.08
PT Ramco Systems Indonesia, Indonesia	7.23	1.79	1.81	5.18	4.50
Ramco Systems Vietnam Company Ltd., Vietnam	-	-	-	1.42	1.28
Refund of royalty to Ramco Systems Pte. Ltd., Singapore	28.61	28.61	-	-	-

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Rs. Mln.

Particulars	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020	Transaction during 2018-19	Outstanding as at March 31, 2019
Income from sale of license					
Ramco Systems Pte. Ltd., Singapore	-	-	-	62.38	-
Cost of services availed					
Ramco Systems Ltd., Switzerland	5.45	24.15	-	3.18	22.86
Ramco Systems Sdn. Bhd., Malaysia	8.54	0.96	-	8.66	2.22
Ramco Systems Pte. Ltd., Singapore	51.14	11.69	-	35.01	20.78
Ramco Systems Australia Pty Ltd, Australia	3.49	0.49	-	5.56	0.92
Ramco System Inc., Philippines	1.82	0.49	-	-	-
PT Ramco Systems Indonesia, Indonesia	0.12	0.05	-	-	-
Ramco Industrial and Technology Services Limited	50.08	2.69	-	17.03	1.03
Loans given					
Ramco Systems Sdn. Bhd., Malaysia	55.23	141.90	-	44.96	77.03
RSL Enterprise Solutions (Pty) Ltd., South Africa	-	-	-	-	10.94
Ramco Systems Australia Pty Ltd, Australia	243.02	235.57	-	217.86	290.65
Ramco Systems Pte. Ltd., Singapore	378.88	424.71	-	351.37	386.93
Ramco Systems FZ-LLC, Dubai	10.54	224.37	-	83.03	199.02
Ramco System Inc., Philippines	8.49	22.14	-	40.12	31.98
Investments (refer note no.8)					
Ramco Systems Pte. Ltd., Singapore	395.66	-	-	-	-
Ramco Systems Australia Pty Ltd, Australia	269.11	-	-	-	-
Interest income					
RSL Enterprise Solutions (Pty) Ltd., South Africa	0.43	-	-	2.49	-
Ramco Systems Australia Pty Ltd, Australia	36.35	-	-	18.65	-
Ramco Systems Pte. Ltd., Singapore	49.64	-	-	17.51	-
Ramco Systems FZ-LLC, Dubai	18.59	-	-	17.90	-
Ramco Systems Sdn. Bhd., Malaysia	8.35	-	-	8.41	-
Ramco System Inc., Philippines	2.23	-	-	1.00	-
Bank guarantee issued to					
i) a banker to Ramco Systems FZ-LLC, Dubai	-	67.27	-	-	61.48
ii) a banker to Ramco System Inc., Philippines	4.46	28.00	-	-	21.78
iii) a banker to Ramco Systems Australia Pty Ltd, Australia	-	5.84	-	6.22	12.43
iv) a banker to Ramco Systems Sdn. Bhd., Malaysia	-	23.97	-	23.18	23.18
Corporate guarantee issued in favour of customer(s) of					
i) Ramco Systems Australia Pty Ltd, Australia	-	664.97	-	599.52	724.42
ii) Ramco System Inc., Philippines	83.27	88.18	-	33.07	33.07
Rent expense					
The Ramco Cements Limited	92.99	-	-	85.13	-
Rajapalayam Mills Limited	0.08	-	-	0.08	-
Sitting fees					
Mr. P R Venketrama Raja	0.12	-	-	0.12	-
Mr. P V Abinav Ramasubramaniam Raja	0.12	-	-	0.12	-
Mr. M M Venkatachalam	0.21	-	-	0.15	-
Mr. A V Dharmakrishnan	0.24	-	-	0.23	-
Mr. R S Agarwal	0.27	-	-	0.24	-
Mrs. Soundara Kumar	0.27	-	-	0.19	-

Rs. Mln.

Particulars	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020	Transaction during 2018-19	Outstanding as at March 31, 2019
Mr. Sankar Krishnan	0.18	-	-	0.17	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.27	-	-	0.15	-
Remuneration					
Mr. P V Abinav Ramasubramaniam Raja	1.31	-	-	1.31	-
Mr. R Ravi Kula Chandran	7.51	-	-	6.20	-
Mr. P R Karthic	0.50	-	-	0.85	-
Mr. N E Vijaya Raghavan	0.20	-	-	-	-
CSR contribution					
Shri Abhinava Vidya Theertha Seva Trust	12.21	-	-	9.27	-
Contributions made					
Ramco Systems Limited employees group gratuity scheme	28.34	-	-	9.59	-
Ramco Systems Limited employees superannuation scheme	15.11	-	-	14.34	-

Notes:

- a) Details of undertaking given by the Company are given in the note no. 31.
- b) The above figures include Service Tax / VAT / CST / GST as applicable.
- c) 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 generally 30 to 90 days, except in the case of overseas subsidiaries, from whom the receivables are realised within the prescribed period.
- d) Disclosure of Key Management Personnel compensation in total and for each of the following categories: Rs. Mln

Particulars	2019-20	2018-19
Short - Term Benefits *	10.42	8.93
Defined Contribution Plan **	0.79	0.79
Defined Benefit Plan / Other Long term benefits ***	-	-
Total	11.21	9.72

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

** It includes contribution to Provident fund, Superannuation, National pension system and accrual of Gratuity

*** Based on actual payment if any.

- e) Maximum loan outstanding during the year from subsidiaries: Rs. Mln.

Name of the subsidiary	2019-20	2018-19
Ramco Systems Sdn. Bhd., Malaysia	141.90	130.79
RSL Enterprise Solutions (Pty) Ltd., South Africa	-	44.93
Ramco Systems Australia Pty Ltd, Australia	557.39	324.87
Ramco Systems Pte. Ltd., Singapore	818.78	402.04
Ramco Systems FZ-LLC, Dubai	229.10	255.78
Ramco System Inc., Philippines	33.94	40.22

Ramco Systems Limited, INDIA

29. Disclosure of fair value measurements

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 & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments by category

Rs. Mln.

Sl. No.	Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at March 31, 2020						
Financial assets						
1	Loans	1,048.68	-	-	1,048.68	1,048.68
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	1,360.69	-	-	1,360.69	1,360.69
4	Cash & cash equivalents	30.84	-	-	30.84	30.84
5	Other financial assets	382.17	4.93	-	387.10	387.10
	Total	2,822.38	4.93	15.00	2,842.31	2,842.31
Financial liabilities						
6	Borrowings	893.70	-	-	893.70	893.70
7	Lease liabilities	594.05	-	-	594.05	594.05
Trade payables						
8	Total outstanding dues of micro enterprises and small enterprises	17.11	-	-	17.11	17.11
9	Total outstanding dues of creditors, other than micro enterprises and small enterprises	241.98	-	-	241.98	241.98
10	Other financial liabilities	50.70	2.23	-	52.93	52.93
	Total	1,797.54	2.23	-	1,799.77	1,799.77
As at March 31, 2019						
Financial assets						
1	Loans	1,049.04	-	-	1,049.04	1,049.04
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	1,578.97	-	-	1,578.97	1,578.97
4	Cash & cash equivalents	25.07	-	-	25.07	25.07
5	Other financial assets	198.99	1.31	-	200.30	200.30
	Total	2,852.07	1.31	15.00	2,868.38	2,868.38
Financial liabilities						
6	Borrowings	802.99	-	-	802.99	802.99
Trade payables						
7	Total outstanding dues of micro enterprises and small enterprises	8.54	-	-	8.54	8.54
8	Total outstanding dues of creditors, other than micro enterprises and small enterprises	203.79	-	-	203.79	203.79
9	Other financial liabilities	18.22	-	-	18.22	18.22
	Total	1,033.54	-	-	1,033.54	1,033.54

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted (unadjusted) 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.

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2020 are given below:

Rs. Mln.

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities	-	-	15.00	15.00
Financial Instruments at FVTPL				
Foregin currency forward contract	-	2.70	-	2.70

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2019 are given below:

Rs. Mln.

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities	-	-	15.00	15.00
Financial Instruments at FVTPL				
Foregin currency forward contract	-	1.31	-	1.31

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

30. 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 March 31, 2020	As at March 31, 2019
Borrowings	927.03	802.99
Less: Cash and cash equivalents	30.84	25.07
Net debt (A)	896.19	777.92
Equity share capital	306.39	306.28
Other equity	7,992.68	7,759.18
Total equity (B)	8,299.07	8,065.46
Debt / Equity (A / B)	10.80%	9.65%

Ramco Systems Limited, INDIA

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 March 31, 2020 and March 31, 2019.

31. Contingent liabilities and commitments

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Rs. Mln.	Rs. Mln.
Contingent Liabilities		
a) Bank Guarantees issued by the bankers to the Company in favour of:		
i) Bankers to the subsidiaries and overseas branches (refer note no.28)	125.08	118.87
ii) Others	0.85	41.77
b) Corporate Guarantee issued in favour of customers of subsidiaries (refer note no.28)	753.15	757.49
c) Claims against the Company not acknowledged as debts:		
i) Disputed Tamil Nadu VAT demand		
1. Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	75.86	75.86
2. Relating to 2014-15 to 2017-18 in respect of which no demand notice has been received	26.73	26.73
ii) Disputed Sales tax demand - pending before the first appellate authority, Mumbai - Year 2012-13	0.09	0.09
iii) Disputed Service tax demand, pending before the first appellate authority - Years 2015-16 to 2017-18	1.21	1.21
iv) Other litigations	20.69	23.53
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	5.82	13.80

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Australia Pty Ltd, Australia, Ramco Systems Sdn. Bhd., Malaysia, and Ramco System Vietnam Company Ltd., Vietnam for their operations and has also undertaken to ensure the going concern status of the above subsidiaries and also that of Ramco System Inc., Philippines, with respect to debt dues if any, to Ramco Systems Ltd., 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.

32. 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.

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 of two types of risk: interest rate risk and foreign 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	2019-20	2018-19
Fixed rate borrowing	689.88	531.48
Variable rate borrowing	159.18	100.10

1% change in interest rate on variable rate borrowing would impact the interest cost for 2019-20 by Rs.1.59 Mln. (2018-19 by Rs.1.00 Mln.).

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans given to overseas subsidiaries, trade payables and bank balances.

The Company's exposure to foreign currency risk with respect to material currencies as detailed below:

Foreign currency	Trade receivables	Unbilled revenues	Bank balances	Loans given	Trade payables	Total
SGD Mln.						
As at March 31, 2020	3.60	1.40	-	8.10	(0.59)	12.51
As at March 31, 2019	3.87	-	-	7.66	(0.03)	11.51
USD Mln.						
As at March 31, 2020	3.98	0.94	-	2.19	(0.37)	6.74
As at March 31, 2019	5.67	0.70	0.05	1.58	(0.28)	7.72
AUD Mln.						
As at March 31, 2020	2.53	0.11	-	5.14	(0.01)	7.77
As at March 31, 2019	3.75	-	-	6.01	(0.02)	9.74
AED Mln.						
As at March 31, 2020	2.26	0.68	-	11.20	(0.03)	14.11
As at March 31, 2019	10.01	0.20	-	10.84	-	21.04
PHP Mln.						
As at March 31, 2020	156.78	3.81	-	-	(0.33)	160.26
As at March 31, 2019	167.65	-	-	-	(0.02)	167.63
HKD Mln.						
As at March 31, 2020	3.78	8.99	-	-	(0.84)	11.93
As at March 31, 2019	3.51	5.56	-	-	(2.18)	6.89

Ramco Systems Limited, INDIA

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

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
SGD	12.51	(12.51)	11.51	(11.51)
USD	6.74	(6.74)	7.72	(7.72)
AUD	7.77	(7.77)	9.74	(9.74)
AED	14.11	(14.11)	21.04	(21.04)
PHP	160.26	(160.26)	167.63	(167.63)
HKD	11.93	(11.93)	6.89	(6.89)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures:

- Availment of packing credit in foreign currency (PCFC), including entering into cross currency forward contracts in equivalent USD where the exposures are in other currencies. The exposure as on March 31, 2020 is USD 5.33 Mln. (Previous year USD 5.96 Mln.).
- Entering into forward contracts which are not covered by PCFC, for such quantum as considered appropriate. The outstanding exposure in this regard is as follows:

Currency	2019-20		2018-19	
	In Mln.	Rs. Mln.	In Mln.	Rs. Mln.
AED	0.55	10.80	0.87	16.85
AUD	0.20	10.03	0.31	16.06
SGD	0.39	21.01	0.40	21.34
USD	0.59	42.60	1.00	69.39

The accounting treatment followed for foreign exchange forward contracts is Mark to Market based on the MTM calculations provided by the bankers.

B. Credit risk

Credit risk is the risk of financial loss to the Company, if the customer or counterparty to the financial instruments fail to meet its contractual obligations and arises principally from the Company's receivables and treasury operations. 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 and the Company creates a provision based on expected credit loss model.

B.1 Trade receivables and unbilled revenues

Trade receivables

Trade receivables of the Company include a) dues from its overseas subsidiaries amounting to 70 % as at March 31, 2020 (78% as at March 31, 2019), of total trade receivables which are risk free and b) dues from others which are exposed to credit risk. The number of external customers (excluding subsidiaries) and the percentage they owed exceeding Rs. 5.00 Mln. individually, out of the outstanding as at March 31, 2020, were 24 and 67% respectively (18 and 54% as at March 31, 2019).

No single external customer accounted for more than 10% of the trade receivable from them, as at March 31, 2020 and March 31, 2019.

Unbilled revenues

Unbilled revenues (Unbilled licenses revenue grouped under financial asset and unbilled services revenue grouped under non-financial assets i.e., other assets) of the Company are also exposed to risk in the event of the inability to bill the customer. Unbilled royalty revenue is in respect of overseas subsidiaries, which are generally risk free.

Number of external customers constituting more than 10% of the unbilled revenues in respect of them, is nil as at March 31, 2020 and two as at March 31, 2019.

Credit risk exposure

The movement in provision for doubtful debts is as below:

Rs. Mln.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	149.79	135.90
Provisions for the year	19.86	59.66
Translation differences	1.20	0.69
Provision utilised for write off	(12.24)	(46.46)
Balance at the end	158.61	149.79

Credit exposure	As at March 31, 2020	As at March 31, 2019
Nature of dues		
Trade receivables	1,360.69	1,578.97
Unbilled licenses revenue	188.81	158.05
Unbilled royalty revenue	130.61	-
Unbilled services revenue	310.89	247.28

B.2 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Company is exposed to counterparty risk relating to deposits with banks and investments 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.

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

Rs. Mln.

Particulars	As at March 31, 2020	As at March 31, 2019
Expiring within one year		
Bank cash credit / overdraft / packing credit / WCDL (subject to availability of drawing power at the time of draw)	897.97	397.01
Expiring beyond one year	Nil	

Ramco Systems Limited, INDIA

Maturities of financial liabilities

Particulars	< 1 year	> 1 year	Total
As at March 31, 2020			
Borrowings	860.36	66.67	927.03
Trade and other payables	278.69	-	278.69
Lease Liabilities (on undiscounted basis)	117.39	719.21	836.60
Total	1,256.44	785.88	2,042.32
As at March 31, 2019			
Borrowings	802.99	-	802.99
Trade and other payables	230.55	-	230.55
Total	1,033.54	-	1,033.54

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

34. 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 2020-21 have been paid to the BSE Limited and The National Stock Exchange of India Limited.

35. Impact of COVID-19

Due to the outbreak of COVID-19 and the lockdown announced by Government of India and State Governments the Company's offices were closed in general and the employees were advised to work from home. The scenario was similar across our subsidiaries. Because of this, our operations were affected, and this had an impact on our global order booking and revenue. However, this was not materially significant for the FY 2019-20, as the lock down was announced in the later part of March 2020.

The lockdown is continuing in 2020-2021 with various restrictions / relaxations and the operations are being carried on accordingly, in compliance with guidelines issued by various authorities with respect to following safety precautions like social distancing and prescribed hygiene standards. In order to mitigate the impact, the Company had undertaken various cost reduction measures.

The Company's capital and financial resources are well protected, though there would be an impact on the revenue and profitability. The liquidity position of the Company is adequate. The Company has been servicing its debt obligations as per schedule on the due dates. The Company did not avail any moratorium extended by the Banks as per the Reserve Bank of India's guidelines. The Company has sufficient liquidity / financial arrangements for the continuity of its business operations. The Company is confident of its ability to serve its debt and other obligations in future as well. The Company is confident to raise funds that may be required in the future, in the event of extension of the lockdown. The Company has got adequate internal financial controls commensurate with the size and nature of its operations and pertaining to financial reporting. There is no impact on the Company's supply chain. The Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts/agreements.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets and as per the current assessment of the Company, there is no material impact in respect of these. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties.

36. Figures for the previous year have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
37. The figures in Rupees have been rounded off to the million in current and previous year.

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

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

Date : June 19, 2020

P R VENKETRAMA RAJA
Chairman
Chennai

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

SOUNDARA KUMAR
Director
Coimbatore

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Ramco Systems Limited, INDIA

RESEARCH AND DEVELOPMENT ACTIVITIES

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020 Rs. Mln.	As at March 31, 2019 Rs. Mln.
ASSETS			
Non-current assets			
Property, plant and equipment	1	4.90	2.96
Intangible assets	2	2,427.72	2,381.23
Total non-current assets		2,432.62	2,384.19
Current assets			
Financial assets		-	0.01
Other current assets		0.10	14.25
Total current assets		0.10	14.26
Total assets		2,432.72	2,398.45
EQUITY AND LIABILITIES			
Equity			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		(5,494.26)	(5,064.46)
Total Equity		(5,494.26)	(5,064.46)
Liabilities			
Non-current liabilities			
Head office contra account		7,895.51	7,450.15
Total non-current liabilities		7,895.51	7,450.15
Current liabilities			
Financial liabilities			
Trade payables		31.10	5.93
Other current liabilities		0.37	6.83
Total current liabilities		31.47	12.76
Total liabilities		7,926.98	7,462.91
Total equity and liabilities		2,432.72	2,398.45

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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Director
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R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
		Rs. Mln.	Rs. Mln.
Expenses			
Employee benefits expense	3	0.39	(0.02)
Depreciation and amortisation expense	1 & 2	429.41	409.89
Other expenditure	4	-	-
Total expenditure		<u>429.80</u>	<u>409.87</u>
Profit / (loss) for the year		<u>(429.80)</u>	<u>(409.87)</u>

Notes on Financials of Research & Development Activities

1 to 5

As per our report annexed
For **M S JAGANNATHAN & N KRISHNASWAMI**
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N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Ramco Systems Limited, INDIA

NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

1. Property, plant and equipment

Rs. Mln.

Particulars	Laptops and desktops	Servers and networks	Office equipments	Total
Gross carrying value				
As at April 01, 2018	4.29	-	0.17	4.46
Additions	-	2.72	-	2.72
Disposals	(0.01)	-	-	(0.01)
As at March 31, 2019	4.28	2.72	0.17	7.17
Additions	3.47	-	-	3.47
Disposals	(0.04)	-	-	(0.04)
As at March 31, 2020	7.71	2.72	0.17	10.60
Depreciation				
As at April 01, 2018	2.92	-	0.15	3.07
For the year	1.13	-	0.01	1.14
Disposals	-	-	-	-
As at March 31, 2019	4.05	-	0.16	4.21
For the year	1.07	0.45	0.01	1.53
Disposals	(0.04)	-	-	(0.04)
As at March 31, 2020	5.08	0.45	0.17	5.70
Carrying value				
As at March 31, 2019	0.23	2.72	0.01	2.96
As at March 31, 2020	2.63	2.27	-	4.90

2. Intangible assets

Rs. Mln.

Particulars	Technology platform	Product software	Computer software	Total
Gross carrying value				
As at April 01, 2018	1,477.09	3,909.75	38.44	5,425.28
Additions	118.00	300.13	0.48	418.61
Deletions	-	-	-	-
As at March 31, 2019	1,595.09	4,209.88	38.92	5,843.89
Additions	94.85	379.52	-	474.37
Deletions	-	-	(0.03)	(0.03)
As at March 31, 2020	1,689.94	4,589.40	38.89	6,318.23
Amortisation				
As at April 01, 2018	874.72	2,143.30	35.89	3,053.91
For the year	104.59	302.89	1.27	408.75
Disposals	-	-	-	-
As at March 31, 2019	979.31	2,446.19	37.16	3,462.66
For the year	108.31	318.94	0.63	427.88
Disposals	-	-	(0.03)	(0.03)
As at March 31, 2020	1,087.62	2,765.13	37.76	3,890.51
Carrying value				
As at March 31, 2019	615.78	1,763.69	1.76	2,381.23
As at March 31, 2020	602.32	1,824.27	1.13	2,427.72

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. Mln.	Rs. Mln.
3. Employee benefits expense		
Salaries, bonus, contributions etc.,	372.57	322.85
Share based payment	0.39	(0.02)
Staff welfare	7.40	5.95
Gross cost	<u>380.36</u>	<u>328.78</u>
Less: Product research and development expenditure capitalised	<u>(379.97)</u>	<u>(328.80)</u>
	<u>0.39</u>	<u>(0.02)</u>
4. Other expenses		
Postage & telephone	0.16	0.12
Power & fuel	5.49	5.82
Travel & conveyance	4.08	4.40
Rent & hosting charges	1.09	1.37
Consultancy & outsourcing charges	82.71	75.70
Other miscellaneous expenses	0.87	1.92
Gross cost	<u>94.40</u>	<u>89.33</u>
Less: Product research and development expenditure capitalised	<u>(94.40)</u>	<u>(89.33)</u>
	<u>-</u>	<u>-</u>
5. Calculation of Total R&D Expenditure		
i) Capital expenditure for R&D (exclusive of product research & development expenditure capitalised) (refer note no. 1 & 2)	3.47	3.20
ii) Recurring R&D expenditure:		
Employee benefits expense - gross (refer note no. 3)	380.36	328.78
Other expenses - gross (refer note no.4)	94.40	89.33
Sub-total	<u>474.76</u>	<u>418.11</u>
Total R&D expenditure (i) + (ii)	<u>478.23</u>	<u>421.31</u>

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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 R S L 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
- 14 Ramco Systems Macau Limited, Macau

AUDITORS

Messrs M S JAGANNATHAN & N KRISHNASWAMI
Chartered Accountants, Chennai

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards 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, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the consolidated state of affairs (financial position) of the Group as at 31 March 2020, of its Consolidated Profit (financial performance including Other Comprehensive Income), Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on 31 March 2020.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Trade Receivable, Unbilled License Revenue and Unbilled Service Revenue

Trade Receivable:

Trade receivables are amounts billed but not yet received as on 31 March 2020. Amount outstanding on this account is Rs.1,937.76 Mln. Of this Rs.6.76 Mln. is due from an Associate in which the Group holds 30% of the Equity.

Unbilled License Revenue:

Revenue recognition in the case of Licenses is on delivery of the software and when the customer obtains a right to use such licenses. The excess revenue over billing is classified as Unbilled License Revenue and grouped under Financial Assets. The amount recoverable as on 31 March 2020 is Rs.2,356.59 Mln.

Unbilled Service Revenue:

Revenue recognition in the case of services is based on percentage of completion method. The excess revenue over billing is classified as Unbilled Service Revenue and grouped under Other Assets. The amount recoverable as on 31 March 2020 is Rs.1,064.30 Mln.

Auditor's Response:

We have audited the Revenue recognition to ensure that it follows the stated policy. The outstanding amount has certain element of credit risk.

Ramco Systems Limited, Consolidated Financials

In the case of Trade Receivable and Unbilled License Revenue, the credit risk is default on its payment obligation by the customer, resulting in a financial loss.

In the case of Unbilled Service Revenue, the risk consists of the satisfaction of the customers, in respect of completion of services milestones and the default on its payment obligation by the customer, resulting in a financial loss.

We have reviewed the credit risk policy of the Group. The implementation of such policy has been audited through audit / review of accounts through compliance and substantive testing of selected samples. The Group has created a provision for doubtful debts for Trade Receivable and Unbilled Revenue based on expected credit loss method. We have evaluated the empirical data of the previous years, and we have ascertained that the current provisioning for the expected credit loss is in line with the historical evidences. We have also ascertained the key judgments and assumptions used by management in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.

2. Deferred Tax

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. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits of which future realization is uncertain. 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.

The credit availed for Minimum Alternate Tax (MAT) 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. The balance in deferred tax asset as on 31 March 2020 is Rs.278.03 Mln. which is net of, MAT credit asset of Rs.230.81 Mln. and Deferred Tax Liability (Net) of Rs. 47.22 Mln.

Auditor's Response:

We have verified the carrying amount of the MAT Credit Entitlement disclosed under Deferred Tax Assets.

We reviewed the evaluation process of availing the MAT Credit Entitlement. We assessed the permanence of methods used, the relevance and consistency of underlying assumptions (budget and future projections including earnings growth and applicable tax rates) and tested the arithmetic accuracy.

3. Intangible Assets - Product Software and Technology Platform

The Holding Company's significant cash generating assets are Product Software and Technology Platform. Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified as "Product Software". Similarly, costs incurred in the development of Technology Platform framework, which would enable the Holding Company to provide solutions in both standard and customized way, have been classified as "Technology Platform". These are disclosed under Intangible Assets.

The carrying cost of Product Software and Technology Platform as on 31 March 2020 is Rs.2,426.60 Mln.

Auditor's Response:

We have reviewed and verified the process of capitalization of Product Software and Technology Platform. The Holding Company amortizes the cost incurred in development of these intangible assets over its estimated useful life which is determined as ten years.

We have reviewed the Holding Company's assessment on the reasonableness of the useful lives of these intangible assets and the impairment of these assets.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with applicable rules there under.

The respective management and Board of Directors of the Companies included in the Group and Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of respective Companies 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.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and Board of Directors either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is also responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Ramco Systems Limited, Consolidated Financials

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Holding Company included in the Consolidated Financial Statements, of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited / reviewed by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company included in the Consolidated Financial Statements, of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) The Consolidated Financial Statements reflects the Group's share of total assets of Rs.6,343.32 Mln. as at 31 March 2020, total revenues of Rs.3,947.94 Mln, total loss of Rs.149.23 Mln. and net cash inflow of Rs.34.30 Mln. for the year ended 31 March 2020 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.
- b) The Consolidated Financial Statements include Group's share of profit after tax of the Associate amounting to Rs.2.06 Mln. for the year ended 29 February 2020, 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.
- c) 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) and (b).

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2020 and 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 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group - Refer note no. 27 (3) to 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 by the Holding Company to the Investor Education and Protection Fund.
2. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

K SRINIVASAN
Partner

Membership No. 021510
UDIN: 20021510AAAACA3371

Place : Tiruchirappalli
Date : 19 June 2020

Ramco Systems Limited, Consolidated Financials

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 2020 in conjunction with our audit of the Consolidated Financial Statements for the year ended on that date. Our reporting of 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 Holding Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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
UDIN: 20021510AAAACA3371

Place : Tiruchirappalli
Date : 19 June 2020

Ramco Systems Limited, Consolidated Financials

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020		As at March 31, 2019	
		Rs. Min.	USD Min.	Rs. Min.	USD Min.
ASSETS					
Non-current assets					
Property, plant and equipment	5	203.86	2.72	207.15	3.01
Right-of-use assets	6	705.63	9.40	-	-
Intangible assets	7	2,484.27	33.10	2,432.85	35.37
Investment in associate	8	14.99	0.23	12.94	0.21
Financial assets					
Loans	9.1	-	-	40.00	0.58
Investments	9.2	15.00	0.23	15.00	0.23
Trade receivables	9.3	35.94	0.48	65.13	0.95
Other financial assets	9.5	1,440.52	19.20	1,407.21	20.46
Tax assets (net)		125.33	1.67	210.64	3.06
Deferred tax assets (net)	10	278.03	3.70	376.79	5.48
Other non-current assets	11	77.95	1.04	17.31	0.25
		<u>5,381.52</u>	<u>71.77</u>	<u>4,785.02</u>	<u>69.60</u>
Current assets					
Financial assets					
Loans	9.1	-	-	12.49	0.18
Trade receivables	9.3	1,901.82	25.34	1,461.93	21.26
Cash and cash equivalents	9.4	151.65	2.02	111.59	1.62
Other financial assets	9.5	1,035.27	13.79	960.29	13.96
Tax assets (net)		98.30	1.31	83.22	1.21
Other current assets	11	1,211.91	16.15	1,012.95	14.73
		<u>4,398.95</u>	<u>58.61</u>	<u>3,642.47</u>	<u>52.96</u>
Total assets		<u>9,780.47</u>	<u>130.38</u>	<u>8,427.49</u>	<u>122.56</u>
EQUITY AND LIABILITIES					
Equity					
Equity share capital	12	306.39	6.05	306.28	6.05
Other equity	13	5,751.86	74.70	5,469.40	77.94
Equity attributable to equity holders of the parent		6,058.25	80.75	5,775.68	83.99
Non-controlling interests		20.76	0.31	13.32	0.21
Total equity		<u>6,079.01</u>	<u>81.06</u>	<u>5,789.00</u>	<u>84.20</u>
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	14.1	66.67	0.89	-	-
Lease liabilities	14.2	624.89	8.33	-	-
Trade payables	14.3				
Total outstanding dues of creditors, other than micro enterprises and small enterprises		21.61	0.28	36.16	0.53
Provisions	15	173.21	2.31	141.46	2.06
Provision for tax		1.61	0.02	-	-
Other non-current liabilities	16	9.94	0.13	6.42	0.09
		<u>897.93</u>	<u>11.96</u>	<u>184.04</u>	<u>2.68</u>
Current liabilities					
Financial liabilities					
Borrowings	14.1	862.50	11.49	820.02	11.92
Lease liabilities	14.2	109.55	1.46	-	-
Trade payables	14.3				
Total outstanding dues of micro enterprises and small enterprises		17.11	0.23	8.54	0.12
Total outstanding dues of creditors, other than micro enterprises and small enterprises		558.67	7.45	438.15	6.37
Other financial liabilities	14.4	71.27	0.95	18.22	0.26
Provisions	15	11.36	0.15	10.94	0.16
Liabilities for current tax		16.56	0.22	36.91	0.54
Other current liabilities	16	1,156.51	15.41	1,121.67	16.31
		<u>2,803.53</u>	<u>37.36</u>	<u>2,454.45</u>	<u>35.68</u>
Total liabilities		<u>3,701.46</u>	<u>49.32</u>	<u>2,638.49</u>	<u>38.36</u>
Total equity and liabilities		<u>9,780.47</u>	<u>130.38</u>	<u>8,427.49</u>	<u>122.56</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 5-33

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

P R VENKETRAMA RAJA
Chairman
Chennai

SOUNDARA KUMAR
Director
Coimbatore

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Date : June 19, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Year ended March 31, 2020		Year ended March 31, 2019	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Income					
Revenue from operations	17	5,689.16	81.03	5,421.30	78.35
Finance income	18	90.40	1.29	73.07	1.06
Other income	19	1.31	0.01	23.61	0.34
Total income		5,780.87	82.33	5,517.98	79.75
Expenses					
Purchase of stock-in-trade		11.08	0.15	28.34	0.41
Changes in inventories of stock-in-trade		-	-	-	-
Employee benefits expense	20	2,562.00	36.49	2,326.87	33.63
Finance costs	21	122.05	1.74	42.03	0.61
Depreciation and amortisation expense	22	664.65	9.47	510.88	7.38
Other expenses	23	2,086.00	29.71	2,186.58	31.61
Total expenses		5,445.78	77.56	5,094.70	73.64
Profit / (Loss) before share of Profit of an associate		335.09	4.77	423.28	6.11
Share of Profit of an associate	8	2.06	0.03	0.44	0.01
Profit / (Loss) before tax		337.15	4.80	423.72	6.12
Income tax expense	10				
Current tax (includes MAT)		119.64	1.71	201.13	2.91
Deferred tax (includes MAT credit)		108.33	1.54	53.48	0.77
Total income tax expenses		227.97	3.25	254.61	3.68
Profit for the year		109.18	1.55	169.11	2.44
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) of defined benefit obligations		5.03	0.07	0.35	-
Income tax on above item(s)		(0.43)	(0.01)	(0.12)	-
		4.60	0.06	0.23	-
(ii) Items that may be reclassified to profit or loss					
Effect of change in functional currency of foreign operations		166.90	(4.88)	60.79	(4.43)
Income tax on above item(s)		-	-	-	-
		166.90	(4.88)	60.79	(4.43)
Other comprehensive income for the year (i + ii)		171.50	(4.82)	61.02	(4.43)
Total comprehensive income for the year		280.68	(3.27)	230.13	(1.99)
Profit for the year attributable to:					
a) Shareholders of the Company		101.74	1.45	163.78	2.37
b) Non-controlling interests		7.44	0.10	5.33	0.07
		109.18	1.55	169.11	2.44
Total comprehensive income for the year attributable to:					
a) Shareholders of the Company		273.24	(3.37)	224.80	(2.06)
b) Non-controlling interests		7.44	0.10	5.33	0.07
		280.68	(3.27)	230.13	(1.99)
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		3.32	0.05	5.36	0.08
Diluted		3.32	0.05	5.36	0.08
Weighted average equity shares used in computing earnings per share					
Basic		30,598,687		30,574,407	
Diluted		30,598,687		30,574,407	
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	5-33				

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

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

Date : June 19, 2020

P R VENKETRAMA RAJA
Chairman
Chennai

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

SOUNDARA KUMAR
Director
Coimbatore

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Ramco Systems Limited, Consolidated Financials

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a. Equity Share Capital

	Nos. in Mln.	Rs. Mln.	USD Mln.
Equity shares of Rs. 10 each issued, subscribed and fully paid			
Balance as at April 01, 2018	30.54	305.75	6.04
Changes in Equity Share Capital during 2018-19 (refer note no.12)	0.05	0.53	0.01
Balance as at March 31, 2019	30.59	306.28	6.05
Changes in Equity Share Capital during 2019-20 (refer note no.12)	0.01	0.11	-
Balance as at March 31, 2020	30.60	306.39	6.05

b. Other Equity for the year ended March 31, 2020

Particulars	Share application money pending allotment		Reserves & Surplus				Items of OCI				Total		Non-controlling interests		Total other equity	
			Securities Premium		Employee stock options outstanding		Retained earnings		Currency translation reserve							
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2019	0.54	0.01	6,580.62	119.58	269.32	4.29	(1,414.43)	(39.43)	33.35	(6.51)	5,469.40	77.94	13.32	0.21	5,482.72	78.15
Profit for the period	-	-	-	-	-	-	101.74	1.45	-	-	101.74	1.45	7.44	0.10	109.18	1.55
Other comprehensive income / (losses)																
(a) Remeasurement gain / (losses) of defined benefit obligations *	-	-	-	-	-	-	4.60	0.06	-	-	4.60	0.06	-	-	4.60	0.06
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	166.90	(4.88)	166.90	(4.88)	-	-	166.90	(4.88)
Total comprehensive income / (losses)	0.54	0.01	6,580.62	119.58	269.32	4.29	(1,308.09)	(37.92)	200.25	(11.39)	5,742.64	74.57	20.76	0.31	5,763.40	74.88
Subscription to stock option schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	(0.54)	(0.01)	0.58	0.01	-	-	-	-	-	-	0.04	-	-	-	0.04	-
Transfer on exercise of stock options	-	-	4.38	0.06	(4.38)	(0.06)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	9.18	0.13	-	-	-	-	9.18	0.13	-	-	9.18	0.13
As at March 31, 2020	-	-	6,585.58	119.65	274.12	4.36	(1,308.09)	(37.92)	200.25	(11.39)	5,751.86	74.70	20.76	0.31	5,772.62	75.01

Other Equity for the year ended March 31, 2019

Particulars	Share application money pending allotment		Reserves & Surplus				Items of OCI				Total		Non-controlling interests		Total other equity	
			Securities Premium		Employee stock options outstanding		Retained earnings		Currency translation reserve							
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 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
Profit for the period	-	-	-	-	-	-	163.78	2.37	-	-	163.78	2.37	5.33	0.08	169.11	2.45
Other comprehensive income / (losses)																
(a) Remeasurement gains / (losses) of defined benefit obligations *	-	-	-	-	-	-	0.23	-	-	-	0.23	-	-	-	0.23	-
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	60.79	(4.43)	60.79	(4.43)	-	-	60.79	(4.43)
Total comprehensive income / (losses)	1.16	0.02	6,557.38	119.25	279.30	4.43	(1,414.43)	(39.43)	33.35	(6.51)	5,456.76	77.76	13.32	0.21	5,470.08	77.97
Subscription to stock option schemes	0.54	0.01	-	-	-	-	-	-	-	-	0.54	0.01	-	-	0.54	0.01
Issue of share capital	(1.16)	(0.02)	5.32	0.07	-	-	-	-	-	-	4.16	0.05	-	-	4.16	0.05
Transfer on exercise of stock options	-	-	17.92	0.26	(17.92)	(0.26)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	7.94	0.12	-	-	-	-	7.94	0.12	-	-	7.94	0.12
As at March 31, 2019	0.54	0.01	6,580.62	119.58	269.32	4.29	(1,414.43)	(39.43)	33.35	(6.51)	5,469.40	77.94	13.32	0.21	5,482.72	78.15

* 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.

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

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

P R VENKETRAMA RAJA
Chairman
Chennai

SOUNDARA KUMAR
Director
Coimbatore

K.SRINIVASAN
Partner
Membership No.:021510
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Whole Time Director
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R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Date : June 19, 2020

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
A. Cash flow from operating activities:				
Profit before tax	335.09	4.77	423.28	6.11
Adjustments for :				
Depreciation and impairment of property, plant and equipment (PPE)	79.21	1.13	80.36	1.16
Amortisation and impairment of intangible assets	456.68	6.50	430.52	6.22
Leased assets - Depreciation, impairment and finance costs	198.41	2.83	-	-
Share based payment expense accrual	9.18	0.13	7.95	0.11
(Profit) / loss on sale of PPE (net)	0.68	0.01	1.25	0.02
Bad debts / provision for bad debts, net	353.81	5.04	263.38	3.80
Remeasurement of defined benefit obligations	5.03	0.07	0.35	-
Effect of exchange difference on translation of deferred tax & fixed assets	(9.22)	2.92	(1.92)	2.96
Effect of change in foreign currency translation reserve	166.90	(4.88)	60.78	(4.41)
Unrealised exchange (gain) / loss	(109.04)	(1.55)	73.62	1.06
Finance and investment income	(77.88)	(1.11)	(61.03)	(0.89)
Finance costs	52.40	0.75	42.03	0.61
Grant income	-	-	(22.31)	(0.32)
Operating Profit before working capital / other changes	1,461.25	16.61	1,298.26	16.43
Adjustments for :				
Increase / (decrease) in provisions	32.17	0.24	(0.81)	(0.16)
Increase / (decrease) in trade and other payables	167.03	1.70	(7.78)	(0.58)
Increase / (decrease) in other current liabilities	58.08	(0.61)	222.93	2.34
(Increase) / decrease in trade and other receivables	(1,173.65)	(9.77)	(1,396.12)	(16.17)
Cash generated from operations	544.88	8.17	116.48	1.86
Income tax paid	(40.03)	(0.57)	(32.53)	(0.49)
Net cash flow from operating activities (A)	504.85	7.60	83.95	1.37
B. Cash flow from investing activities:				
Addition to tangible / intangible assets	(585.71)	(7.81)	(547.29)	(7.96)
Proceeds from sale of PPE	1.31	0.03	2.02	0.03
Loan to other parties	-	-	(1.10)	0.04
Short term fixed deposits placed with Banks	(1.26)	0.01	0.79	0.01
Interest income on loans and deposits	0.21	-	5.20	0.08
Receipt of government grants	12.77	0.19	43.19	0.65
Net cash used in investing activities (B)	(572.68)	(7.58)	(497.19)	(7.15)

Ramco Systems Limited, Consolidated Financials

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020 (contd.)

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
C. Cash flow from financing activities:				
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans	0.69	0.02	5.83	0.09
Proceeds from long term borrowings	100.00	1.33	-	-
Proceeds from short term borrowings	3,736.29	53.21	3,008.13	43.74
Repayment of short term borrowings	(3,712.24)	(53.88)	(2,571.58)	(37.76)
Payment of lease liabilities	(169.60)	(2.44)	-	-
Finance costs paid	(52.40)	(0.75)	(42.03)	(0.61)
Finance income	77.68	1.12	55.83	0.81
Net cash generated from financing activities (C)	(19.58)	(1.39)	456.18	6.27
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(87.41)	(1.37)	42.94	0.49
Effect of unrealised exchange (gain) / loss	109.04	1.55	(73.62)	(1.06)
Net cash generated / (used in) for the year	21.63	0.18	(30.68)	(0.57)
Cash and cash equivalents at the beginning of the year	94.56	1.37	125.24	1.94
Cash and cash equivalents as at end of the year	116.19	1.55	94.56	1.37
Reconciliation of cash and cash equivalents as per the cash flow statement:				
Cash and cash equivalents (refer note no.9.4)	151.65	2.02	111.59	1.62
Bank overdrafts (refer note no.14.1)	(35.46)	(0.47)	(17.03)	(0.25)
Balance as per statement of cash flows	116.19	1.55	94.56	1.37
Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings (excluding bank overdraft):				
Balance at the beginning of the year				
Short term borrowings	802.99	11.66	366.44	5.68
Subtotal	802.99	11.66	366.44	5.68
Cash flows during the year				
Proceeds from long term borrowings	100.00	1.33	-	-
Movement in short term borrowings				
Proceeds	3,736.29	53.21	3,008.13	43.74
Repayment	(3,712.25)	(53.85)	(2,571.58)	(37.76)
Interest and finance charges on loans	52.40	0.75	42.03	0.61
Interest and finance charges on loans paid	(52.40)	(0.75)	(42.03)	(0.61)
Subtotal	124.04	0.69	436.55	5.98
Balance at the end of the year				
Long term borrowings	66.67	0.89	-	-
Short term borrowings	827.03	11.02	802.99	11.66
Current maturities of long term debt	33.33	0.44	-	-
Subtotal	927.03	12.35	802.99	11.66

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

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

P R VENKETRAMA RAJA
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Chief Executive Officer
Singapore

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Date : June 19, 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 March 31, 2020.

Sl. No.	Name	Country	% holding of the Parent	Year ending on
Subsidiaries				
(a)	Ramco Systems Corporation	USA	98%	31 st March
(b)	Ramco Systems Ltd.	Switzerland	100%	31 st March
(c)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31 st March
(d)	Ramco Systems Pte. Ltd.	Singapore	100%	31 st March
(e)	RSL Enterprise Solutions (Pty) Ltd.	South Africa	100%	31 st March
(f)	Ramco Systems Canada Inc. (100% held by sl. no. (a) above)	Canada	98%	31 st March
(g)	Ramco Systems FZ-LLC	Dubai	100%	31 st March
(h)	R S L Software Co. Ltd.	Sudan	100%	31 st March
(i)	Ramco Systems Australia Pty Ltd,	Australia	100%	31 st March
(j)	Ramco System Inc.	Philippines	100%	31 st March
(k)	Ramco Systems (Shanghai) Co. Ltd.	China	100%	31 st March
(l)	Ramco System Vietnam Company Ltd.	Vietnam	100%	31 st March
(m)	PT Ramco Systems Indonesia	Indonesia	100%	31 st March
(n)	Ramco Systems Macau Limited (100% held by sl. no. (d) above)	Macau	100%	31 st March
Associate / Affiliate				
(a)	CityWorks (Pty.) Ltd., South Africa (30% held by sl. no. (e) above)	South Africa	30%	28 th February

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 core ERP, Human Resource & Payroll, Aviation Maintenance Repair and overhaul, Logistics, Services Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or 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 March 31, 2020 were approved and adopted by the Board of Directors of the Company in its meeting held on June 19, 2020.

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) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') (to the extent notified), read with

Ramco Systems Limited, Consolidated Financials

Companies (Indian Accounting Standards) Rules, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

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.

2.2 Pursuant to General Circular No.39/2014 dated October 14, 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 and defined benefit plan assets, share based payments that are measured at fair values or at amortised cost at the end of each reporting period.

2.4 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised 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 realisation 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-off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.

The financial statements of subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealised 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). 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 (or part of it) is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not reinstated at each balance sheet date.

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 recognised 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.

Ramco Systems Limited, Consolidated Financials

3. Accounting policies

3.1 Significant accounting policies

a. Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised 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 recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

b. Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 categorisation (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

The Group derives revenues from Software Solutions & Services. Revenues are derived from the following streams:

- (1) Revenue from Software Products, in the form of (a) Software Licensing (b) Subscription for Software as a Service (c) Product Support Services and (d) Application Maintenance Services;
- (2) Revenue from Software Services, in the form of (a) Implementation / Professional Services (b) Managed Services;
- (3) Revenue from Resale of Hardware & Software.

Revenue is measured based on the transaction price, which is the consideration, adjusted for financing components and volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customers.

Revenue is recognised in the profit and loss account upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services or products and excluding taxes or duties. To recognise revenues, the Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Group allocates the contract value to separately identifiable performance obligations based on their relative stand-alone selling price (mostly as reflected in the contracts) or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Group is unable to determine the stand-alone selling price, the Group uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognising revenues depends on the nature of the products sold / services rendered:

(1) Revenue from Software Products

(a) Software Licensing

Software licensing 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 customisation of the underlying software, revenue is recognised on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

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.

(c) Product Support Services

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.

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(d) Application Maintenance Services

Fees for the application maintenance services, covering inter alia the support of the customised software, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

(2) Revenue from Software Services

(a) Implementation / Professional Services

Software Implementation / Professional Services contracts are either fixed price or time and material based.

Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognised using the “percentage of completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Where the Software is required to be substantially customised as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognised using the percentage of completion method as the implementation services are performed.

Revenues from implementation services in respect of hosting contracts are to be recognised as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship. However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognised in accordance with percentage of completion method.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

In the case of time and material contracts, revenue is recognised based on billable time spent in the project, priced at the contractual rate.

Any change in scope or price is considered as a contract modification. The Group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardisation set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognised in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(b) Managed Services

Fees for managed services, which include business processing services, are recognised as revenue as the related services are performed.

(3) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognised on transfer of significant risks, rewards and control to the customer.

Contract assets, liabilities and financing arrangements

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue).

Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue).

A contract liability is an entity's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue).

The Group assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Group does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

d. Finance income

Interest on bank deposits is recognised 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.

e. 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.

f. 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. Current income tax payable by overseas branches of the Company if any is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income, and if not available, charged off in the profit and loss account.

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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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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.

g. 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 capitalisation 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 capitalised 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 Straightline 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 Straightline Method over the useful life of the assets.

The useful lives of various assets used by the Company are tabled below:

Asset type	Useful life in 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 de-recognised 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 de-recognised.

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.

h. Right-of-use assets

Leases

The Group has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases & related interpretation & guidance. The Group has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in note no. 3.2.

Policy applicable before April 01, 2019

For contracts entered before April 01, 2019, 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 fulfillment 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.

Policy applicable from April 01, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use ("ROU") assets

The Group recognises right-of-use assets at the commencement date, except short term leases and low value leases. The Group's lease asset classes primarily consist of leases for Land, Buildings and Office equipments. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. They are subsequently measured at cost less accumulated depreciation and impairment losses.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

b) Lease liabilities

The Group recognises lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the initial application date i.e., April 01, 2019, because the interest rate implicit in the lease is not readily determinable. In respect of subsequent leases, the incremental borrowing rates are determined periodically, to calculate the present value of lease payments. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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c) Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Short term leases and leases of low-value assets

The Group applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to such leases that are considered to be of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straightline 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 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.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalised software development costs, are not capitalised 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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation 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 de-recognition 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 de-recognised.

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 amortisation and accumulated impairment losses, if any. Amortisation of these assets begins

from the year, following the year in which such development costs are incurred. It is amortised over the period of expected future benefit. Amortisation 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 customised - 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 capitalised upon grant of Patents.

The useful life of the above assets is estimated as under:

Asset type	Useful life in years
Self-generated R&D (Product software & Technology platform)	10
Computer software	3 to 6
Patents	10

j. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation 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 is capitalised 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 capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation 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 capitalises 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.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method. Net realisable 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.

l. 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.

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m. 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 recognised 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 recognised nor disclosed.

n. Employee benefits expense

Short term employee benefits

Short term employee benefits viz., salaries, wages and other benefits are recognised 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 recognised 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.

o. Financial instruments

- 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.
- 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.
- 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

- 4 Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- 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.

- 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.

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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	Names 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.

- 7 Financial assets are de-recognised (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 de-recognises 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 retention of its rights and obligations of financial asset. The Group has applied the de-recognition requirements prospectively.

- 8 Upon de-recognition 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.
- 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 on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience 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 lifetime. 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.

Financial liabilities

- 10 Financial liabilities comprise of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and Other financial liabilities.

11 The Group measures its financial liabilities as below:

Measurement basis	Names 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.

12 Financial liabilities are de-recognised when and only when it is extinguished (i.e.,) when the obligation specified in the contract is discharged or cancelled or expired.

13 Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the consolidated statement of profit and loss.

p. 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.

q. Cash dividend

The Group recognises a liability to make cash dividend, when the distribution is authorised and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity including applicable taxes.

r. 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.

s. 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 recognised 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.

t. 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 recognised 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.

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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.

u. 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.

v. Assets held for sale

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

3.2 Changes in accounting policies and disclosures

Ind AS 116 Leases, new standard effective April 01, 2019

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has lease contracts for various items of Building, Land and Office equipments. Before the adoption of Ind AS 116, the Group, as lessee, classified each of its leases at the inception date either as a finance lease or as an operating lease.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short term leases and leases of low-value assets. Refer note no. 3.1.h, Leases, for the accounting policy beginning April 01, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019.

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected by the Group as on the date of initial application:

1. Applied a single discount rate in each country, to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
3. Excluded the initial direct costs from the measurement of the right-of-use asset.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Based on the above, as at April 01, 2019:

Right-of-use assets of Rs.820.21 Mln. USD 11.93 Mln. including prepaid rentals of Rs.3.04 Mln. USD 0.04 Mln. were recognised and presented separately in the balance sheet. Lease liabilities of Rs.817.17 Mln. USD 11.89 Mln. were also recognised and presented accordingly.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 and the value of the lease liability as of April 01, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Rs. Mln.	USD. Mln.
Operating lease commitments as at March 31, 2019	1,182.77	17.20
Weighted average incremental borrowing rate as at April 01, 2019	8.95%	8.95%
Discounted operating lease commitments as at April 01, 2019	849.60	12.36
Less:		
Commitments relating to short term leases	31.57	0.46
Commitments relating to leases of low-value assets	0.86	0.01
Lease liabilities as at April 01, 2019	817.17	11.89

3.3 Recent Accounting pronouncements – Standards issued but not effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There are no such notifications which would be applicable from April 01, 2020.

4. Significant estimates and judgments

The preparation of the consolidated financial statements requires the Group’s management (“management”) to make judgments, 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.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial/other non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information from market sources on the expected future performance of the Company. The impact of COVID-19 on the Group’s financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties. 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 and 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/amortisation/impairment.

Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management’s judgment by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

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Deferred tax asset (including MAT credit entitlement)

Significant management judgment 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 judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment 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 judgment 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 judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

Impairment of investments in Associate

Significant management judgement is exercised in determining whether the investment in associate is impaired or not, is on the basis of its nature of long term strategic investments and other business considerations.

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 judgment is exercised in establishing fair values. Judgments 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.

Revenue recognition

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Group applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Group exercises judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgment is also required to determine the transaction price for the contract.

The Group uses judgment to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment or which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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.
Gross carrying value																
As at April 01, 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
Additions	-	-	37.55	0.55	57.20	0.83	3.70	0.05	14.95	0.22	0.80	0.01	5.53	0.08	119.73	1.74
Disposals	-	-	(9.98)	(0.15)	(2.47)	(0.04)	(0.06)	-	-	-	(0.02)	-	(4.96)	(0.07)	(17.49)	(0.26)
Exchange difference	-	-	7.08	(0.14)	0.03	(0.11)	1.08	(0.04)	3.12	(0.05)	0.04	(0.02)	0.01	(0.02)	11.36	(0.38)
As at March 31, 2019	3.12	0.05	288.34	4.18	145.34	2.10	70.28	1.02	118.61	1.72	17.03	0.25	35.23	0.52	677.95	9.84
Additions	-	-	31.83	0.42	30.63	0.41	3.50	0.05	8.28	0.11	0.01	-	3.35	0.04	77.60	1.03
Disposals	-	-	(21.76)	(0.29)	(26.52)	(0.35)	(0.01)	-	(0.03)	-	(0.28)	-	(2.57)	(0.03)	(51.17)	(0.67)
Exchange difference	-	(0.01)	11.14	(0.19)	0.04	(0.17)	1.91	(0.06)	2.84	(0.10)	0.17	(0.02)	-	(0.05)	16.10	(0.60)
As at March 31, 2020	3.12	0.04	309.55	4.12	149.49	1.99	75.68	1.01	129.70	1.73	16.93	0.23	36.01	0.48	720.48	9.60
Depreciation																
As at April 01, 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
For the year	0.06	-	29.08	0.42	23.20	0.34	5.01	0.07	17.19	0.25	1.57	0.02	4.25	0.06	80.36	1.16
Disposals	-	-	(9.95)	(0.14)	(1.16)	(0.02)	(0.03)	-	-	-	(0.01)	-	(3.05)	(0.04)	(14.20)	(0.20)
Exchange difference	(0.01)	-	6.88	(0.09)	0.01	(0.07)	1.28	(0.01)	1.27	(0.05)	(0.01)	(0.02)	0.01	(0.01)	9.43	(0.25)
As at March 31, 2019	1.89	0.03	239.76	3.49	73.94	1.07	43.29	0.63	84.88	1.22	9.87	0.14	17.17	0.25	470.80	6.83
For the year	0.06	-	30.55	0.44	22.31	0.31	5.46	0.08	15.15	0.22	1.55	0.02	4.13	0.06	79.21	1.13
Disposals	-	-	(21.76)	(0.29)	(26.52)	(0.35)	-	-	(0.01)	-	(0.05)	-	(0.84)	(0.01)	(49.18)	(0.65)
Exchange difference	(0.01)	-	10.81	(0.18)	0.07	(0.10)	2.22	(0.04)	2.56	(0.07)	0.14	(0.01)	-	(0.03)	15.79	(0.43)
As at March 31, 2020	1.94	0.03	259.36	3.46	69.80	0.93	50.97	0.67	102.58	1.37	11.51	0.15	20.46	0.27	516.62	6.88
Carrying value																
As at March 31, 2019	1.23	0.02	48.58	0.69	71.40	1.03	26.99	0.39	33.73	0.50	7.16	0.11	18.06	0.27	207.15	3.01
As at March 31, 2020	1.18	0.01	50.19	0.66	79.69	1.06	24.71	0.34	27.12	0.36	5.42	0.08	15.55	0.21	203.86	2.72

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6. Right-of-use assets

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross carrying value								
As at April 01, 2019	798.74	11.61	19.04	0.28	2.43	0.04	820.21	11.93
Additions	9.34	0.12	-	-	-	-	9.34	0.12
Disposals	(1.55)	(0.02)	-	-	-	-	(1.55)	(0.02)
Exchange difference	7.94	(0.86)	-	(0.03)	-	(0.01)	7.94	(0.90)
As at March 31, 2020	814.47	10.85	19.04	0.25	2.43	0.03	835.94	11.13
Depreciation								
As at April 01, 2019	-	-	-	-	-	-	-	-
For the year	122.37	1.75	4.77	0.07	1.62	0.02	128.76	1.84
Disposals	-	-	-	-	-	-	-	-
Exchange difference	1.55	(0.11)	-	-	-	-	1.55	(0.11)
As at March 31, 2020	123.92	1.64	4.77	0.07	1.62	0.02	130.31	1.73
Carrying value								
As at April 01, 2019	798.74	11.61	19.04	0.28	2.43	0.04	820.21	11.93
As at March 31, 2020	690.55	9.21	14.27	0.18	0.81	0.01	705.63	9.40

7. Intangible assets

Particulars	Technology Platform		Product Software		Computer Software		Patents		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross carrying value										
As at April 01, 2018	1,477.09	22.90	3,909.75	60.63	194.86	3.03	14.23	0.22	5,595.93	86.78
Additions	118.00	1.72	300.13	4.36	9.44	0.14	-	-	427.57	6.22
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	(1.43)	-	(3.78)	1.23	(0.18)	-	(0.01)	1.23	(5.40)
As at March 31, 2019	1,595.09	23.19	4,209.88	61.21	205.53	2.99	14.23	0.21	6,024.73	87.60
Additions	94.85	1.26	379.52	5.06	33.72	0.45	-	-	508.09	6.77
Deletions	-	-	-	-	(39.08)	(0.52)	-	-	(39.08)	(0.52)
Exchange difference	0.01	(1.93)	-	(5.12)	1.78	(0.23)	-	(0.02)	1.79	(7.30)
As at March 31, 2020	1,689.95	22.52	4,589.40	61.15	201.95	2.69	14.23	0.19	6,495.53	86.55
Amortisation										
As at April 01, 2018	874.71	13.56	2,143.30	33.24	132.99	2.06	9.13	0.15	3,160.13	49.01
For the year	104.60	1.51	302.89	4.38	21.61	0.31	1.42	0.02	430.52	6.22
Impairment loss	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	(0.83)	-	(2.05)	1.23	(0.10)	-	(0.02)	1.23	(3.00)
As at March 31, 2019	979.31	14.24	2,446.19	35.57	155.83	2.27	10.55	0.15	3,591.88	52.23
For the year	108.31	1.54	318.95	4.54	28.15	0.40	1.27	0.02	456.68	6.50
Impairment loss	-	-	-	-	(39.08)	(0.52)	-	-	(39.08)	(0.52)
Exchange difference	-	(1.29)	-	(3.25)	1.78	(0.20)	-	(0.02)	1.78	(4.76)
As at March 31, 2020	1,087.62	14.49	2,765.14	36.86	146.68	1.95	11.82	0.15	4,011.26	53.45
Carrying value										
As at March 31, 2019	615.78	8.95	1,763.69	25.64	49.70	0.72	3.68	0.06	2,432.85	35.37
As at March 31, 2020	602.33	8.03	1,824.26	24.29	55.27	0.74	2.41	0.04	2,484.27	33.10

Note: For the details of security to borrowings, refer note no.14.1

8. 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 CityWorks (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 statement is as below:

Particulars	Year ended February 29, 2020		Year ended February 28, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Group's share in:				
Profit after tax	2.06	0.03	0.44	0.01
Other comprehensive income	-	-	-	-
Total comprehensive income (TCI)	2.06	0.03	0.44	0.01

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

	As at February 29, 2020		As at February 28, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Opening carrying amount	12.94	0.21	12.49	0.20
Group's share of profit in TCI	2.06	0.03	0.44	0.01
Exchange difference	(0.01)	(0.01)	0.01	-
Closing carrying amount	14.99	0.23	12.94	0.21

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

The accounting period of the associate is March to February. The equity adjustment is considered based on the financials prepared by the associate for the said period and no further adjustments considered as they are not material. The Group has opted to use the previous GAAP carrying amount as "Deemed cost" for the investment in associate.

	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.

9. Financial assets

9.1 Loans receivables

Non-current

Unsecured, considered good

Loans receivables - other than related parties	-	-	40.00	0.58
	-	-	40.00	0.58

Current

Loans receivables - other than related parties	-	-	12.49	0.18
	-	-	12.49	0.18

Loans receivables are non-derivative financial assets and are carried at amortised cost.

Loans receivables - other than related parties carry an interest rate of 10% p.a. and are repayable in equated quarterly installments.

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	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
9.2 Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)				
2,335 Shares in SmartMegh Solutions Pvt. Ltd. India of face value of Rs.10 each (as at March 31, 2019 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	-	-	-	-
9.3 Trade receivables				
Unsecured, considered good				
Non-current				
Trade receivables - other than related parties	36.88	0.49	65.13	0.95
Unsecured, considered doubtful				
Trade receivables - other than related parties - credit impaired	88.62	1.18	144.45	2.10
	125.50	1.67	209.58	3.05
Less: Impairment loss	89.56	1.19	144.45	2.10
	35.94	0.48	65.13	0.95
Current				
Trade receivables - associate	6.76	0.09	7.22	0.10
Trade receivables - other related parties	0.94	0.01	-	-
Trade receivables - other than related parties	1,947.53	25.95	1,470.57	21.39
	1,955.23	26.05	1,477.79	21.49
Less: Impairment loss	53.41	0.71	15.86	0.23
	1,901.82	25.34	1,461.93	21.26

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days, except the contracts which are entered with deferred credit terms.

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

For details and terms and conditions relating to related party receivables, refer note no. 24.

9.4 Cash and cash equivalents

Cash on hand	0.41	0.01	0.31	-
Balances with Banks in current / savings / business accounts	151.24	2.01	111.28	1.62
	151.65	2.02	111.59	1.62

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
9.5 Other financial assets				
Unsecured, considered good				
Non-current				
Unbilled licenses revenue	1,442.72	19.23	1,419.29	20.64
Security deposit	30.54	0.41	17.19	0.25
Employee advances	4.28	0.06	7.20	0.10
Bank Deposit Others	1.03	0.01	-	-
Unsecured, considered doubtful				
Unbilled licenses revenue - credit impaired	40.99	0.55	85.12	1.24
	<u>1,519.56</u>	<u>20.26</u>	<u>1,528.80</u>	<u>22.23</u>
Less: Impairment loss	79.04	1.06	121.59	1.77
	<u>1,440.52</u>	<u>19.20</u>	<u>1,407.21</u>	<u>20.46</u>
Current				
Unbilled licenses revenue	979.00	13.04	890.34	12.94
Security deposit	15.80	0.21	22.46	0.32
Employee advances	39.24	0.52	28.95	0.42
Foreign currency forward contract	4.93	0.07	1.31	0.02
Insurance claims receivable	18.20	0.24	-	-
Government grant receivable	-	-	12.77	0.19
Bank deposits held as margin money	5.09	0.07	3.83	0.06
Balance with Banks in Share issue accounts	0.09	-	0.63	0.01
	<u>1,062.35</u>	<u>14.15</u>	<u>960.29</u>	<u>13.96</u>
Less: Impairment loss	27.08	0.36	-	-
	<u>1,035.27</u>	<u>13.79</u>	<u>960.29</u>	<u>13.96</u>

10. Taxes

(a) Deferred tax (asset) / liability *

Rs. Mln.

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Tax impact on difference between book depreciation / amortisation and depreciation under the Income Tax Act, 1961	700.50	834.84	(134.34)	(7.14)
Tax impact on unutilised carry forward losses	(632.51)	(681.46)	48.95	229.46
Tax effect of provision for gratuity	(4.53)	(7.78)	3.25	(2.91)
Tax effect of provision for compensated absences	(25.74)	(20.60)	(5.14)	(1.29)
Tax effect of provision for bad and doubtful debts / advances	(51.76)	(54.56)	2.80	(7.07)
Tax impact on foreign exchange differences	(2.73)	0.27	(3.00)	(0.93)
Tax impact on all other items	(37.10)	(2.06)	(35.04)	0.84
Tax impact on remeasurement gains / (losses) on defined benefit obligations (under OCI)	6.63	6.20	0.43	0.12
Impact of foreign exchange on conversion of overseas entities	0.02	(0.51)	10.53	(0.50)
Deferred tax (asset) / liability (net)	<u>(47.22)</u>	<u>74.34</u>	<u>(111.56)</u>	<u>210.58</u>
Deferred tax (income) / expense (net)			<u>(111.56)</u>	<u>210.58</u>

* To the extent considered by the Group. Deferred tax assets have not been considered by the subsidiaries other than USA, Singapore and Philippines (previous year Philippines), since it was not probable that sufficient future taxable profits will be available to adjust the accumulated losses.

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		Rs. Mln.	
(b) Reconciliation of deferred tax (asset) / liability (including MAT credit)		Balance sheet as at	
Particulars		March 31, 2020	March 31, 2019
(i) Deferred tax (asset) / liability			
Opening balance		74.34	(136.24)
Deferred tax (income) / expense during the year recognised in statement of profit and loss		(111.99)	210.39
Deferred tax (income) / expense during the year recognised in OCI		0.43	0.12
Impact of foreign exchange on conversion of overseas entities		(10.00)	0.07
Closing balance		(47.22)	74.34
(ii) MAT credit			
Opening balance		(451.13)	(294.24)
MAT credit for the current / previous year(s)		(99.43)	(156.89)
Closing balance		(550.56)	(451.13)
(iii) Provision for MAT credit *			
Opening balance		-	-
Provision for FY 2017-18 & FY 2018-19		239.71	-
Provision for the current year		80.04	-
Closing balance		319.75	-
Total deferred tax (asset) / liability (i + ii + iii)		(278.03)	(376.79)
<i>In USD Mln.</i>		(3.70)	(5.48)

* represents provision for, MAT credit created by the utilization of foreign WHT for the discharge of MAT liability, which is denied by virtue of insertion of proviso to sub section 2A of section 115JAA. The Company had always believed that it had a good case that this credit could be cashed. Now the Company will be filing a Writ petition challenging the said proviso in the jurisdictional High Court on the basis of the legal opinion obtained. The Company will continue to make provision for such MAT credit availed, going forward until disposal of the case.

(c) Components of tax expenses		For the year ended	
Particulars		March 31, 2020	March 31, 2019
(i) Statement of profit and loss			
Current tax			
Current Income Tax charge (including MAT)		119.64	201.13
Deferred tax			
Relating to the origination and reversal of temporary differences		(111.99)	210.39
MAT credit for the current / previous year(s)		(99.43)	(156.91)
Provision for MAT credit (refer note no.10 b(iii) above)		319.75	-
Total tax (income) / expense reported in statement of profit and loss		227.97	254.61
(ii) Other comprehensive income (OCI)			
Deferred tax impact on remeasurement gains / (losses) of defined benefit obligations		0.43	0.12
Total tax (income) / expense reported in OCI		0.43	0.12
(iii) Total tax (income) / expense reported in total comprehensive income		228.40	254.73

Rs. Mln.

For the year ended

March 31, 2020 March 31, 2019

Particulars

(d) **A reconciliation of the tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:**

Accounting profit before tax	335.09	423.28
Less: Adjustment from carry forward losses	799.33	963.31
Profit / (loss) considered for taxation	(464.24)	(540.03)
Corporate tax rate %	29.120%	34.944%
Computed tax expense / (income)	(135.19)	(188.71)
Increase / (reduction) in taxes on account of:		
MAT on accounting profit before tax & USA State taxes	111.12	166.06
Tax adjustments of earlier years	(2.64)	2.03
Non-deductible expenses	8.99	17.84
Branch tax for which no credit availed	-	2.41
Tax on non-taxable income for Indian tax purposes / impact due to differential tax rates from India	144.79	220.68
Additional allowances / deductions for tax purposes	(7.43)	(19.18)
	119.64	201.13
Deferred tax (income) / expense recognition during the year	(111.99)	210.39
MAT credit for the current / previous year(s)	(99.43)	(156.91)
Provision for MAT credit (refer note no.10 b(iii) above)	319.75	-
Tax (income) / expenses reported in the statement of profit and loss	227.97	254.61
Tax (income) / expense reported in the other comprehensive income	0.43	0.12
<i>In USD Mln.</i>	<i>P&L</i>	3.25
	<i>OCI</i>	0.01
		3.68
		-

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
11. Other assets				
Non-current				
Unsecured, considered good				
Prepaid expenses	0.75	0.01	4.56	0.06
Advance to suppliers and service providers #	69.78	0.93	-	-
Unbilled services revenue	7.57	0.10	12.75	0.19
Unsecured, considered doubtful				
Unbilled services revenue - credit impaired	55.39	0.74	80.88	1.18
	133.49	1.78	98.19	1.43
Less: Impairment loss	55.54	0.74	80.88	1.18
	77.95	1.04	17.31	0.25
Current				
Unsecured, considered good				
Prepaid expenses	75.73	1.01	60.98	0.89
Advance to suppliers & service providers * #	29.66	0.40	35.82	0.52
Unbilled services revenue	1,101.33	14.67	884.23	12.86
Statutory advances	49.64	0.66	43.64	0.63
	1,256.36	16.74	1,024.67	14.90
Less: Impairment loss	44.45	0.59	11.72	0.17
	1,211.91	16.15	1,012.95	14.73

* Includes prepayment to gratuity fund for the year Rs.14.45 Mln. (USD 0.19 Mln.) (previous year Rs.0.67 Mln. (USD 0.01 Mln.)) by the Company.

Advance to suppliers & service providers are given in the normal course of business and adjusted against subsequent supplies / services.

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	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
12. Equity share capital				
Authorised share capital				
50,000,000 (as at March 31, 2019 - 50,000,000) Equity Shares of Rs. 10 each	500.00		500.00	
Issued and subscribed capital				
30,952,359 (as at March 31, 2019 - 30,942,000) Equity Shares of Rs.10 each	309.52	6.22	309.42	6.15
Paid-up capital				
30,603,181 (as at March 31, 2019 30,592,822) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 ((as at March 31, 2019 Rs.353,890) for 349,178 shares)	306.39	6.05	306.28	6.05
	306.39	6.05	306.28	6.05
12.1 The reconciliation of share capital for the year:				
At the beginning of the year	306.28	6.05	305.75	6.04
Addition during the year	0.11	-	0.53	0.01
At the end of the year	306.39	6.05	306.28	6.05
Movement in number of shares during:	2019-20		2018-19	
At the beginning of the year	30,592,822		30,539,183	
Addition during the year under employee stock option schemes	10,359		53,639	
At the end of the year	30,603,181		30,592,822	
12.2 Terms / rights attached to class of shares				
The Company has only one class of share referred to as Equity Shares having a par value of Rs.10 each. The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
13. Other equity				
Securities Premium	6,585.58	119.66	6,580.62	119.58
Currency translation reserve	200.25	(11.39)	33.35	(6.51)
Employee stock options outstanding	274.12	4.36	269.32	4.29
Retained earnings	(1,308.09)	(37.93)	(1,414.43)	(39.43)
Share application money pending allotment	-	-	0.54	0.01
Total equity attributable to the equity holders of the Company	5,751.86	74.70	5,469.40	77.94
Non-controlling interests	20.76	0.31	13.32	0.21
Total other equity	5,772.62	75.01	5,482.72	78.15

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.

14. Financial liabilities

	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
14.1 Borrowings				
Non-current				
Term loans from Banks, secured				
Axis Bank Limited	66.67	0.89	-	-
	<u>66.67</u>	<u>0.89</u>	<u>-</u>	<u>-</u>
Details of loan				
This loan is secured by charge on all unencumbered fixed assets of the company excluding building. Here, fixed assets denote the assets falling under property, plant and equipment. Term Loan borrowings carry interest rate linked to twelve months MCLR which stood at 8.10% p.a. at the reporting date. The interest rate is reset on yearly basis. The term loan is repayable in equal half yearly instalments on various dates as per the grouped maturity profile given below:				
Repayment due in			No. of instalments	Rs. Mln.
2020-21			2	33.33
2021-22			2	33.33
2022-23			2	33.34
			<u>6</u>	<u>100.00</u>
Less: Transferred to current maturities of long term loans			<u>2</u>	<u>33.33</u>
Total			4	66.67
Current				
Loans repayable on demand from Banks, secured				
Axis Bank Limited - Cash credit	12.65	0.17	17.61	0.26
Mashreq Bank PSC - Overdraft	35.46	0.47	17.03	0.25
Loans from Banks, secured				
Axis Bank Limited	150.00	2.00	110.50	1.61
IDBI Bank Limited	100.00	1.34	50.00	0.73
Loans from Banks, unsecured				
Kotak Mahindra Bank Limited	349.39	4.65	377.38	5.48
HDFC Bank Limited	215.00	2.86	247.50	3.59
	<u>862.50</u>	<u>11.49</u>	<u>820.02</u>	<u>11.92</u>

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1. Security details

Loans from Axis Bank Limited, outstanding as at March 31, 2020 are secured by pari passu first charge on the current assets, both present and future of the Company. The loans outstanding as at March 31, 2019 are secured by pari passu first charge on the current assets, both present and future and unencumbered fixed assets excluding building of the Company.

Loans from IDBI Bank Limited, outstanding as at March 31, 2020 and March 31, 2019 are secured by pari passu first charge on the receivables, both present and future, of the Company.

Loan from Mashreq Bank PSC, outstanding as at March 31, 2020 and March 31, 2019 is secured by Standby Letter of Credit (SBLC) issued by Axis Bank Limited, from the secured working capital limits of the Company as mentioned above

2. Interest rate

Above loans from Banks are in the form of Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WC DL), Bank overdraft, and Cash Credit and carry interest ranging from 1.44% p.a. to 8.40% p.a.

14.2 Leases

The Group has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019. The Group has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019, and as a result, the comparative information for the earlier period has not been restated. The Group has lease contracts for various items of Building, Land and Office equipments used in its operations. There are several lease contracts that include extension and termination options and variable lease payments.

Disclosures in respect of Leases are given below:

a) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2020 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
As at April 01, 2019	798.74	11.61	19.04	0.28	2.43	0.04	820.21	11.93
Additions during the year	9.34	0.12	-	-	-	-	9.34	0.12
Depreciation charge for the year	(122.37)	(1.75)	(4.77)	(0.07)	(1.62)	(0.02)	(128.76)	(1.84)
Deletions during the year	(1.55)	(0.02)	-	-	-	-	(1.55)	(0.02)
Foreign exchange (gain)/loss	6.39	(0.77)	-	(0.02)	-	-	6.39	(0.79)
As at March 31, 2020	690.55	9.19	14.27	0.19	0.81	0.02	705.63	9.40

b) The movement in lease liabilities during the year ended March 31, 2020 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
As at April 01, 2019	795.70	11.57	19.04	0.28	2.43	0.04	817.17	11.89
Additions during the year	9.34	0.12	-	-	-	-	9.34	0.12
Interest Expense	67.92	0.97	1.58	0.02	0.15	-	69.65	0.99
Lease Payments	(159.70)	(2.27)	(5.05)	(0.07)	(1.81)	(0.03)	(166.56)	(2.37)
Deletions during the year	(1.39)	(0.02)	-	-	-	-	(1.39)	(0.02)
Foreign exchange (gain)/loss	6.23	(0.80)	-	(0.02)	-	-	6.23	(0.82)
As at March 31, 2020	718.10	9.57	15.57	0.21	0.77	0.01	734.44	9.79

i) The reconciliation of lease liabilities as at April 01, 2019 to the operating lease commitments as on March 31, 2019 is given in note no.3.2.

ii) The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

	Rs. Min.	USD Min.
Non-current	624.89	8.33
Current	109.55	1.46
	<u>734.44</u>	<u>9.79</u>

c) The following are the amounts recognised in profit or loss for the year ended March 31, 2020:

	Rs. Mln.	USD Mln.
Depreciation expense of right-of-use assets	128.76	1.84
Interest expense on lease liabilities	69.65	0.99
Expense relating to short term leases (included in Other expenses)	37.62	0.54
Expense relating to leases of low-value assets (included in Other expenses)	1.63	0.02
Variable lease payments (included in Other expenses)	5.81	0.07
Total amount recognised in profit or loss	243.47	3.46

Note: Had the accounting under Ind AS 17 been continued in the current year also, Rs.169.60 Mln. USD 2.44 Mln. would have been recognised in the P&L as lease rental expenses under the head Other expenses.

d) The Group had total cash outflows for leases of Rs.214.66 Mln. USD 3.07 Mln. during the year ended March 31, 2020.

e) The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

	Rs. Mln.	USD Mln.
Less than 1 year	169.63	2.26
1 to 5 years	512.00	6.82
More than 5 years	318.24	4.24
	999.87	13.32

	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
14.3 Trade payables				
Non-current				
Total outstanding dues of creditors, other than micro enterprises and small enterprises	21.61	0.28	36.16	0.53
	<u>21.61</u>	<u>0.28</u>	<u>36.16</u>	<u>0.53</u>
Current				
Total outstanding dues of micro enterprises and small enterprises	17.11	0.23	8.54	0.12
Total outstanding dues of creditors other than micro enterprises and small enterprises				
Trade payables - other related parties (refer note no.24)	2.69	0.04	1.03	0.01
Trade payables - others	555.98	7.41	437.12	6.36
	<u>575.78</u>	<u>7.68</u>	<u>446.69</u>	<u>6.49</u>

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

The disclosure with respect of dues to micro and small enterprises are presented in standalone financials and not repeated.

14.4 Other financial liabilities

Current

	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Capital creditors	14.32	0.19	15.28	0.22
Current maturities of long term loans (refer note no.14.1)	33.33	0.44	-	-
Customer claims payables	18.35	0.25	-	-
Rental advances	0.50	0.01	0.40	0.01
Foreign currency forward contract	2.23	0.03	-	-
Employee welfare payables	2.54	0.03	2.54	0.03
	<u>71.27</u>	<u>0.95</u>	<u>18.22</u>	<u>0.26</u>

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	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
15. Provisions				
Non-current				
Provision for gratuity (refer note no.20.1)	25.36	0.34	21.74	0.32
Provision for leave encashment and other retirals	147.85	1.97	119.72	1.74
	<u>173.21</u>	<u>2.31</u>	<u>141.46</u>	<u>2.06</u>
Current				
Provision for gratuity (refer note no.20.1)	0.62	0.01	1.20	0.02
Provision for leave encashment and other retirals (refer note no.15.1)	10.74	0.14	9.74	0.14
	<u>11.36</u>	<u>0.15</u>	<u>10.94</u>	<u>0.16</u>
15.1	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.			
16. Other liabilities				
Non-current				
Unearned revenue	3.20	0.04	6.42	0.09
Advance from customers	6.74	0.09	-	-
	<u>9.94</u>	<u>0.13</u>	<u>6.42</u>	<u>0.09</u>
Current				
Unearned revenue	853.61	11.37	782.20	11.37
Statutory dues payable	110.20	1.47	164.68	2.40
Expenses payable	135.29	1.80	157.85	2.30
Contract obligation	48.00	0.64	14.00	0.20
Advance from customers	9.41	0.13	2.94	0.04
	<u>1,156.51</u>	<u>15.41</u>	<u>1,121.67</u>	<u>16.31</u>
	Advance from customers are received in the normal course of business and adjusted against subsequent supplies / services.			
	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
17. Revenue from operations - disaggregated				
17.1 Product wise revenue				
Revenue from software products	2,615.73	37.26	3,181.14	45.97
Revenue from software services	3,042.24	43.33	2,189.82	31.65
Revenue from resale of software and hardware materials	31.19	0.44	50.34	0.73
	<u>5,689.16</u>	<u>81.03</u>	<u>5,421.30</u>	<u>78.35</u>
17.2 Geography wise revenue				
Americas	1,013.50	14.43	1,194.23	17.26
Europe	176.17	2.51	141.62	2.05
APAC	2,466.78	35.14	2,232.59	32.26
India	1,423.97	20.28	1,111.74	16.07
Middle East and Africa	608.74	8.67	741.12	10.71
	<u>5,689.16</u>	<u>81.03</u>	<u>5,421.30</u>	<u>78.35</u>

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
17.3 Business unit wise revenue				
ERP	2,246.63	32.00	1,945.90	28.12
HRP	2,124.36	30.26	2,124.45	30.70
Aviation	1,318.17	18.77	1,350.95	19.53
	<u>5,689.16</u>	<u>81.03</u>	<u>5,421.30</u>	<u>78.35</u>

17.4 Ind AS 115 – Revenue from contract with customers

The Company derives revenue from Software Solutions & Services. The accounting policies are mentioned in note no. 3.1.c

Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by various factors including termination, changes in scope of contracts, adjustments for revenue that are not materialised and adjustments for currency. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the following:

- the remaining performance obligation for contracts where revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date including time and material, support service and subscription contracts and
- the remaining performance obligation in respect of other contracts, since those performance obligations have an original expected duration of one year or less in most of the cases.

During the year ended March 31, 2020, the Group recognised revenue of Rs.710.13 Mln., USD 10.11 Mln. arising from opening unearned revenue of Rs. 788.61 Mln., USD 11.47 Mln. as at April 01, 2019. During the year ended March 31, 2019, the Group recognised revenue of Rs.677.00 Mln., USD 9.78 Mln. arising from opening unearned revenue of Rs. 658.00 Mln., USD 10.20 Mln. as at April 01, 2018.

Reconciliation of revenue recognised with the contracted price is as follows:

Contract price	5,752.60	81.93	5,559.13	80.34
Reduction towards implied financing component	(63.44)	(0.90)	(137.83)	(1.99)
Revenue recognised	<u>5,689.16</u>	<u>81.03</u>	<u>5,421.30</u>	<u>78.35</u>

18. Finance income

Interest income - other than related parties	90.40	1.29	73.07	1.06
	<u>90.40</u>	<u>1.29</u>	<u>73.07</u>	<u>1.06</u>

19. Other income

Government grant	-	-	22.31	0.32
Profit on sale of property, plant and equipments	-	-	0.01	-
Other income	1.31	0.01	1.29	0.02
	<u>1.31</u>	<u>0.01</u>	<u>23.61</u>	<u>0.34</u>

Government grant represents the grant from Economic Development Board of Singapore for a three-year period from Sep 2015 to Aug 2018, under the Research Incentive Scheme, for the establishment of Ramco Aviation Design & Analytics Research Centre, by way of reimbursement of a portion of employee benefits expense and cost of licensing / technology acquisitions for the project.

This is treated as a "grant related to income" under Ind AS 20. Accordingly, the grant is shown under "other income" and the expenses related to this are shown under respective expense heads.

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	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
20. Employee benefits expense				
Salaries, wages and bonus	2,323.07	33.10	2,109.38	30.49
Share based payment	9.18	0.13	7.95	0.11
Provident fund and other contributions	84.44	1.20	78.73	1.14
Gratuity and other retrials	67.02	0.95	50.02	0.72
Staff welfare	78.29	1.11	80.79	1.17
	<u>2,562.00</u>	<u>36.49</u>	<u>2,326.87</u>	<u>33.63</u>
20.1	The defined benefit plan (Gratuity) details in respect of the Company is provided for in the standalone financials note no.21.1. 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.			
21. Finance costs				
Interest on loans	50.37	0.72	40.52	0.59
Interest on leased assets	69.65	0.99	-	-
Interest others	0.07	-	0.26	-
Other finance costs on loans	1.96	0.03	1.25	0.02
	<u>122.05</u>	<u>1.74</u>	<u>42.03</u>	<u>0.61</u>
22. Depreciation and amortization expense				
Depreciation on property, plant and equipment	79.21	1.13	80.36	1.16
Depreciation on leased assets	128.76	1.84	-	-
Amortization of intangible assets	456.68	6.50	430.52	6.22
	<u>664.65</u>	<u>9.47</u>	<u>510.88</u>	<u>7.38</u>
23. Other expenses				
Advertisement and sales promotion	191.37	2.73	204.70	2.96
Bank charges	12.69	0.18	8.98	0.13
Bad debts/provision for bad debts, net	353.81	5.04	263.38	3.80
Consultancy charges	97.53	1.39	120.80	1.75
Corporate social responsibility expenditure	12.21	0.17	9.27	0.13
Customer claims, net of insurance claims	75.99	1.08	2.09	0.03
Foreign exchange fluctuation, net	(64.87)	(0.92)	40.62	0.59
Insurance	16.48	0.23	17.23	0.25
Loss on sale of property, plant and equipment	0.68	0.01	1.26	0.02
Office maintenance	34.17	0.49	34.90	0.51
Outsourcing costs	312.58	4.45	278.27	4.02
Power & fuel	30.20	0.43	30.94	0.45
Printing & stationery	4.91	0.07	4.96	0.07
Postage, telephone and communication	69.51	0.99	80.55	1.16
Rent	256.32	3.65	382.59	5.53
Repairs - building	6.14	0.09	18.34	0.27
Repairs - plant and machinery	46.53	0.66	75.38	1.09
Repairs - others	16.10	0.23	11.31	0.16
Rates and taxes	67.19	0.96	75.77	1.10
Sales commission and other selling expenses	47.33	0.67	55.97	0.81
Software subscription and maintenance	14.32	0.20	10.25	0.15
Travelling and conveyance	417.51	5.95	414.04	5.98
Miscellaneous expenses	67.30	0.96	44.98	0.65
	<u>2,086.00</u>	<u>29.71</u>	<u>2,186.58</u>	<u>31.61</u>

23.1 Movement in provision for bad & doubtful debts

Particulars	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Balance at the beginning	374.50	5.45	354.73	5.50
Provisions for the year	353.81	5.04	263.38	3.80
Translation differences	9.96	(0.30)	8.53	(0.21)
Provision utilised for write off	(389.19)	(5.54)	(252.14)	(3.64)
Balance at the end	349.08	4.65	374.50	5.45

Expenses recognised in statement of profit and Loss

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Provisions for the year	353.81	5.04	263.38	3.80
Provision utilised for write off reversed to P&L	(389.19)	(5.54)	(252.14)	(3.64)
Amounts written off	389.19	5.54	252.14	3.64
Bad debts/provision for bad debts, net	353.81	5.04	263.38	3.80

24. 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 including those under Companies Act, 2013 (KMP)

1. Mr. P R Venketrama Raja, Chairman
2. Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director
3. Mr. Virender Aggarwal, Chief Executive Officer
4. Mr. R Ravi Kula Chandran, Chief Financial Officer
5. Mr. P R Karthic, Company Secretary up to October 11, 2019
6. Mr. N E Vijaya Raghavan, Company Secretary w.e.f. February 14, 2020
7. Mr. M M Venkatachalam, Independent Director
8. Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
9. Mr. R S Agarwal, Independent Director
10. Mrs. Soundara Kumar, Independent Director
11. Mr. Sankar Krishnan, Independent Director upto May 22, 2019, Non-Independent Director w.e.f. May 22, 2019
12. Justice Mr. P P S Janarthana Raja (Retd.), Independent Director

b. Relatives of KMP

1. Mr. P R Venketrama Raja, Father of Mr. P V Abinav Ramasubramaniam Raja
2. Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja
3. Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam Raja
4. Mrs. R Sudarsanam, Mother of Mr. P R Venketrama Raja
5. Mrs. S Saradha Deepa, Sister of Mr. P R Venketrama Raja
6. Mrs. R Nalina Ramalakshmi, Sister of Mr. 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

Ramco Systems Limited, Consolidated Financials

d. Enterprises over which the above persons exercise significant influence

- | | |
|---|--|
| 1. Rajapalayam Mills Limited | 16. The Ramco Cements Limited Educational and Charitable Trust |
| 2. The Ramco Cements Limited | 17. Gowrihouse Metal Works LLP |
| 3. Ramco Industries Limited | 18. JKR Enterprises Limited |
| 4. The Ramaraju Surgical Cotton Mills Limited | 19. Gowrishankar Screws |
| 5. Sri Vishnu Shankar Mills Limited | 20. P A C R Sethurammam Charity Trust |
| 6. Sandhya Spinning Mill Limited | 21. P A C R Sethurammam Charities |
| 7. Thanjavur Spinning Mill Limited | 22. Rajapalayam Spinners Limited |
| 8. Sri Harini Textiles Limited | 23. Ramco Industrial and Technology Services Limited |
| 9. Swarna Boomi Estate | 24. Madurai Trans Carrier Limited |
| 10. Thanga Vilas Estate | 25. Ramco Welfare Trust |
| 11. Rajapalayam Textile Limited | 26. Lynks Logistics Limited |
| 12. Shri Harini Media Limited | 27. Ramco Management Private Limited |
| 13. Sudarsanam Estate | 28. Raja Charity Trust |
| 14. Shri Abhinava Vidya Theertha Seva Trust | 29. P A C Ramasamy Raja Centenary Trust |
| 15. Smt. Lingammal Ramaraju Shastra Prathista Trust | 30. P A C Ramasamy Raja Education Charity Trust |

e. Subsidiary companies

- | | |
|--|---|
| 1. Ramco Systems Corporation, USA | 8. R S L Software Co. Ltd., Sudan |
| 2. Ramco Systems Ltd., Switzerland | 9. Ramco Systems Australia Pty Ltd, Australia |
| 3. Ramco Systems Pte Ltd., Singapore | 10. Ramco System Inc., Philippines |
| 4. Ramco Systems Sdn. Bhd., Malaysia | 11. Ramco Systems (Shanghai) Co. Ltd., China |
| 5. RSL Enterprise Solutions (Pty) Ltd., South Africa | 12. Ramco System Vietnam Company Limited, Vietnam |
| 6. Ramco Systems Canada Inc., Canada (wholly owned subsidiary of Ramco Systems Corporation, USA) | 13. PT Ramco Systems Indonesia, Indonesia |
| 7. Ramco Systems FZ-LLC, Dubai | 14. Ramco Systems Macau Limited, Macau (wholly owned subsidiary of Ramco Systems Pte Ltd., Singapore) |

f. Associate

- | |
|--|
| 1. CityWorks (Pty.) Ltd., South Africa |
|--|

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

Particulars	Transaction during the year 2019-20		Outstanding as at March 31, 2020		Transaction during the year 2018-19		Outstanding as at March 31, 2019	
	Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.
Income from sale of goods & services								
The Ramco Cements Limited	252.91	3.60	-	-	123.33	1.78	-	-
Ramco Industries Limited	19.31	0.27	-	-	47.39	0.68	-	-
Rajapalayam Mills Limited	15.41	0.22	-	-	2.84	0.04	-	-
Rajapalayam Textile Limited	0.46	0.01	-	-	0.33	-	-	-
Sri Vishnu Shankar Mills Limited	1.75	0.02	-	-	1.30	0.02	-	-
Sandhya Spinning Mill Limited	1.34	0.02	-	-	1.11	0.02	-	-
Sri Harini Textiles Limited	0.37	0.01	-	-	0.11	-	-	-
The Ramaraju Surgical Cotton Mills Limited	2.37	0.03	-	-	1.47	0.02	-	-
Sudarsanam Estate	0.20	-	0.10	-	0.30	-	-	-
Swarna Bhoomi Estate	0.13	-	-	-	0.20	-	-	-
Thanga Vilas Estate	0.15	-	-	-	0.22	-	-	-
Ramco Welfare Trust	0.07	-	-	-	0.07	-	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.07	-	-	-	0.07	-	-	-
The Ramco Cements Limited Educational and Charitable Trust	0.29	-	-	-	0.29	-	-	-
Gowrihouse Metal Works LLP	0.58	0.01	0.53	0.01	0.67	0.01	-	-
P A C R Sethurammal Charity Trust	0.43	0.01	-	-	0.36	0.01	-	-
P A C R Sethurammal Charities	-	-	-	-	0.07	-	-	-
JKR Enterprises Limited	0.07	-	-	-	0.14	-	-	-
Madurai Trans Carrier Limited	1.04	0.01	-	-	1.23	0.02	-	-
Ramco Industrial and Technology Services Limited	0.59	0.01	0.31	-	-	-	-	-
CityWorks (Pty.) Ltd., South Africa	140.20	2.00	6.76	0.09	147.72	2.14	7.22	0.10
Cost of services availed								
Ramco Industrial and Technology Services Limited	50.08	0.71	2.69	0.04	17.03	0.25	1.03	0.01
Bank guarantee issued to								
i) a banker to Ramco Systems FZ-LLC, Dubai	-	-	67.27	0.90	-	-	61.48	0.89
ii) a banker to Ramco System Inc., Philippines	4.46	0.06	28.00	0.37	-	-	21.78	0.32
iii) a banker to Ramco Systems Australia Pty Ltd, Australia	-	-	5.84	0.08	6.22	0.09	12.43	0.18
iv) a banker to Ramco Systems Sdn. Bhd., Malaysia	-	-	23.97	0.32	23.18	0.34	23.18	0.34
Corporate guarantee issued in favour of customer(s) of								
i) Ramco Systems Australia Pty Ltd, Australia	-	-	664.97	8.86	599.52	8.66	724.42	10.53
ii) Ramco System Inc., Philippines	83.27	1.19	88.18	1.18	33.07	0.48	33.07	0.48
Rent expense								
The Ramco Cements Limited	92.99	1.32	-	-	85.13	1.23	-	-
Rajapalayam Mills Limited	0.08	-	-	-	0.08	-	-	-

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Particulars	Transaction during the year 2019-20		Outstanding as at March 31, 2020		Transaction during the year 2018-19		Outstanding as at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Sitting fees								
Mr. P R Venketrama Raja	0.12	-	-	-	0.12	-	-	-
Mr. P V Abinav Ramasubramaniam Raja	0.12	-	-	-	0.12	-	-	-
Mr. M M Venkatachalam	0.21	-	-	-	0.15	-	-	-
Mr. A V Dharmakrishnan	0.24	-	-	-	0.23	-	-	-
Mr. R S Agarwal	0.27	-	-	-	0.24	-	-	-
Mrs. Soundara Kumar	0.27	-	-	-	0.19	-	-	-
Mr. Sankar Krishnan	0.18	-	-	-	0.17	-	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.27	-	-	-	0.15	-	-	-
CSR contribution								
Shri Abhinava Vidya Theertha Seva Trust	12.21	0.17	-	-	9.27	0.13	-	-
Remuneration								
Mr. P V Abinav Ramasubramaniam Raja	1.31	0.02	-	-	1.31	0.02	-	-
Mr. Virender Aggarwal	83.64	1.19	-	-	66.49	0.96	-	-
Mr. R Ravi Kula Chandran	7.51	0.11	-	-	6.20	0.09	-	-
Mr. Karthic P R	0.50	0.01	-	-	0.85	0.01	-	-
Mr. N E Vijaya Raghavan	0.20	-	-	-	-	-	-	-
Contributions made								
Ramco Systems Limited employees group gratuity scheme	28.34	0.40	-	-	9.59	0.14	-	-
Ramco Systems Limited employees superannuation scheme	15.11	0.22	-	-	14.34	0.21	-	-

Notes:

- Ramco Systems FZ-LLC, Dubai, Ramco System Inc., Philippines, Ramco Systems Sdn. Bhd., Malaysia and Ramco Systems Australia Pty Ltd, Australia have assumed obligations in terms of Bank Guarantees issued by their banks to their customers / vendors. 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.
- 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 generally 30 to 90 days.
- Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	2019-20		2018-19	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Short Term Benefits *	93.38	1.33	74.75	1.08
Defined Contribution Plan **	1.47	0.02	1.46	0.02
Defined Benefit Plan / Other Long term benefits ***	-	-	-	-
Total	94.85	1.35	76.21	1.10

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

** It includes contribution to Provident fund / other pension fund, Superannuation, National Pension System and accrual of Gratuity.

*** Based on actual payment if any.

25. Disclosure of fair value measurements

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 & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial instruments by category

Rs. Mn.

USD Mn.

Sl. No.	Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at March 31, 2020											
Financial assets											
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23
3	Trade receivables	1,937.76	-	-	1,937.76	1,937.76	25.82	-	-	25.82	25.82
4	Cash & cash equivalents	151.65	-	-	151.65	151.65	2.02	-	-	2.02	2.02
5	Other financial assets	2,470.86	4.93	-	2,475.79	2,475.79	32.92	0.07	-	32.99	32.99
	Total	4,560.27	4.93	15.00	4,580.20	4,580.20	60.76	0.07	0.23	61.06	61.06
Financial liabilities											
6	Borrowings	929.17	-	-	929.17	929.17	12.38	-	-	12.38	12.38
7	Lease liabilities	734.44	-	-	734.44	734.44	9.79	-	-	9.79	9.79
Trade payables											
8	Total outstanding dues of micro enterprises and small enterprises	17.11	-	-	17.11	17.11	0.23	-	-	0.23	0.23
9	Total outstanding dues of creditors, other than micro enterprises and small enterprises	580.28	-	-	580.28	580.28	7.73	-	-	7.73	7.73
10	Other financial liabilities	69.04	2.23	-	71.27	71.27	0.92	0.03	-	0.95	0.95
	Total	2,330.04	2.23	-	2,332.27	2,332.27	31.05	0.03	-	31.08	31.08
As at March 31, 2019											
Financial assets											
1	Loans	52.49	-	-	52.49	52.49	0.76	-	-	0.76	0.76
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23
3	Trade receivables	1,527.06	-	-	1,527.06	1,527.06	22.21	-	-	22.21	22.21
4	Cash & cash equivalents	111.59	-	-	111.59	111.59	1.62	-	-	1.62	1.62
5	Other financial assets	2,366.19	1.31	-	2,367.50	2,367.50	34.40	0.02	-	34.42	34.42
	Total	4,057.33	1.31	15.00	4,073.64	4,073.64	58.99	0.02	0.23	59.24	59.24
Financial liabilities											
6	Borrowings	820.02	-	-	820.02	820.02	11.92	-	-	11.92	11.92
Trade payables											
7	Total outstanding dues of micro enterprises and small enterprises	8.54	-	-	8.54	8.54	0.12	-	-	0.12	0.12
8	Total outstanding dues of creditors, other than micro enterprises and small enterprises	474.31	-	-	474.31	474.31	6.90	-	-	6.90	6.90
9	Other financial liabilities	18.22	-	-	18.22	18.22	0.26	-	-	0.26	0.26
	Total	1,321.09	-	-	1,321.09	1,321.09	19.20	-	-	19.20	19.20

Ramco Systems Limited, Consolidated Financials

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted (unadjusted) 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.

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2020 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
Financial Instruments at FVTPL								
Foregin currency forward contract	-	2.70	-	2.70	-	0.04	-	0.04

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2019 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
Financial Instruments at FVTPL								
Foregin currency forward contract	-	1.31	-	1.31	-	0.02	-	0.02

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

26. 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 March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings	962.50	12.82	820.02	11.92
Less: Cash and cash equivalents	151.65	2.02	111.59	1.62
Net debt (A)	810.85	10.80	708.43	10.30
Equity share capital	306.39	6.05	306.28	6.05
Other equity	5,751.86	74.70	5,469.40	77.94
Total equity (B)	6,058.25	80.75	5,775.68	83.99
Net debt / Equity (A / B)	13.38%		12.26%	

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 March 31, 2020 and March 31, 2019.

27. Contingent liabilities and commitments

Contingent liabilities

Sl. No.	Particulars	As at March 31, 2020		As at March 31, 2019	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
1	Bank guarantees issued by the bankers to the Company in favour of:				
	i) Bankers to the subsidiaries and overseas branch (refer note no.24)	125.08	1.67	118.87	1.73
	ii) Others	2.12	0.03	41.77	0.61
2	Corporate guarantee issued in favour of customers of subsidiaries (refer note no.24)	753.15	10.04	757.49	11.01
3	Claims against the Group not acknowledged as debts				
a)	Disputed Tamil Nadu VAT demand				
	i) Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	75.86	1.01	75.86	1.10
	ii) Relating to 2014-15 to 2017-18 in respect of which no demand notice has been received	26.73	0.36	26.73	0.39
b)	Disputed Sales tax demand, pending before the first appellate authority, Mumbai, Year 2012-13	0.09	-	0.09	-
c)	Disputed Service tax demand, pending before the first appellate authority, Years 2015-16 to 2017-18	1.21	0.02	1.21	0.02
d)	Other litigations	20.69	0.28	23.53	0.34
Commitments					
	Estimated amount of contracts remaining to be executed on capital account and not provided for	5.82	0.08	17.59	0.25

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.

28. 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 of two types of risk: interest rate risk and foreign currency risk.

Ramco Systems Limited, Consolidated Financials

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	2019-20		2018-19	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fixed rate borrowing	689.88	9.19	531.48	7.73
Variable rate borrowing	180.95	2.41	109.76	1.60

1% change in interest rate on variable rate borrowing would impact the interest cost for 2019-20 by Rs.1.80 Mln., USD 0.03 Mln. (2018-19 by Rs.1.10 Mln., USD 0.01 Mln.)

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's transactions denominated in a foreign currency including trade receivables, 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:

Foreign Currency	Trade receivables	Unbilled revenues	Trade payables	Bank balances	Total
USD Mln. *					
As at March 31, 2020	13.80	16.13	(0.49)	0.22	29.66
As at March 31, 2019	11.77	15.97	(0.44)	0.55	27.85
PHP Mln.					
As at March 31, 2020	-	153.67	-	-	153.67
As at March 31, 2019	-	-	(0.02)	-	(0.02)
HKD Mln.					
As at March 31, 2020	1.39	8.38	-	-	9.77
As at March 31, 2019	2.53	5.56	-	-	8.08

* This includes an amount of USD 14.63 Mln. (Previous year USD 14.44 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	As at March 31, 2020				As at March 31, 2019			
	Rs. Mln.		USD Mln.		Rs. Mln.		USD Mln.	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
USD	29.66	(29.66)	0.40	(0.40)	27.85	(27.85)	0.40	(0.40)
PHP	153.67	(153.67)	2.05	(2.05)	-	-	-	-
HKD	9.77	(9.77)	0.13	(0.13)	8.08	(8.08)	0.12	(0.12)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures

- Availment of packing credit in foreign currency (PCFC), including entering into cross currency forward contracts in equivalent USD where the exposures are in other currencies. The exposure as on March 31, 2020 is USD 5.33 Mln. (Previous year USD 5.96 Mln.)
- Entering into forward contracts which are not covered by PCFC, for such quantum as considered appropriate. The outstanding exposure in this regard is as follows:

Currency	As at March 31, 2020			As at March 31, 2019		
	In Mln.	Rs. Mln.	USD Mln.	In Mln.	Rs. Mln.	USD Mln.
AED	0.55	10.80	0.14	0.87	16.85	0.24
AUD	0.20	10.03	0.13	0.31	16.06	0.23
SGD	0.39	21.01	0.28	0.40	21.34	0.31
USD	0.59	42.60	0.57	1.00	69.39	1.00

The accounting treatment followed for foreign exchange forward contracts is Mark to Market based on the MTM calculations provided by the bankers.

B. Credit risk

Credit risk is the risk of financial loss to the Group, if the customer or counterparty to the financial instruments fail to meet its contractual obligations and arises principally from the Group's receivables and treasury operations.

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 and the Group creates a provision based on expected credit loss model.

B.1 Trade receivables and unbilled revenues

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 they owed exceeding USD 0.50 Mln. individually, out of the outstanding as at March 31, 2020, were 3 and 15% respectively (3 and 19% as at March 31, 2019).

Number of customers owing more than 10% of the account receivable is NIL as at March 31, 2020 and one as at March 31, 2019.

Unbilled revenues

Unbilled Revenues (Unbilled licenses revenue grouped under financial asset and Unbilled services revenue grouped under non-financial assets i.e., other assets) of the Group are also exposed to risk in the event of the inability to bill the customer.

Number of customers constituting more than 10% of the unbilled revenues is Nil both as at March 31, 2020 and as at March 31, 2019.

Credit risk exposure

The movement in provision for doubtful debts is as below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Balance at the beginning	374.50	5.45	354.73	5.50
Provisions for the year	353.81	5.04	263.37	3.81
Translation differences	9.96	(0.30)	8.54	(0.22)
Provision utilised for write off	(389.19)	(5.54)	(252.14)	(3.64)
Balance at the end	349.08	4.65	374.50	5.45

Ramco Systems Limited, Consolidated Financials

Credit exposure

Nature of dues	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Trade receivables	1,937.76	25.82	1,527.06	22.21
Unbilled licenses revenue	2,356.63	31.40	2,273.16	33.05
Unbilled services revenue	1,064.30	14.18	885.26	12.88

B.2 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Group is exposed to counterparty risk relating to deposits with banks and investments 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 March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Expiring within one year				
Bank cash credit / overdraft / packing credit / WCDL (subject to availability of drawing power at the time of drawl)	902.56	12.03	398.34	5.79
Expiring beyond one year	Nil			

Maturities of financial liabilities

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at March 31, 2020						
Borrowings	895.83	11.93	66.67	0.89	962.50	12.82
Trade and other payables	613.72	8.19	21.61	0.28	635.33	8.47
Lease Liabilities (on undiscounted basis)	169.63	2.26	830.24	11.06	999.87	13.32
Total	1,679.18	22.38	918.52	12.23	2,597.70	34.61
As at March 31, 2019						
Borrowings	820.02	11.92	-	-	820.02	11.92
Trade and other payables	464.91	6.75	36.16	0.53	501.07	7.28
Total	1,284.93	18.67	36.16	0.53	1,321.09	19.20

29. The Group has only one operating segment viz., Software Solutions and Services and hence the segment reporting required under Ind AS 108 does not apply. However, the following information is provided as required under paragraph 31 of Ind AS 108.

29.1 Information regarding revenue from products and services and geographical areas

Please refer note nos. 17.1 & 17.2.

29.2 Information regarding specified non-current assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Property, plant and equipment				
India including overseas branches	169.56	2.26	167.91	2.44
Other countries	34.30	0.46	39.24	0.57
Right-of-use assets				
India including overseas branches	568.90	7.58	-	-
Other countries	136.73	1.82	-	-
Intangible assets				
India including overseas branches	2,484.27	33.10	2,432.85	35.37
Other countries	-	-	-	-
Others				
India including overseas branches	68.45	0.91	5.23	0.08
Other countries	9.50	0.13	12.08	0.17

29.3 Information regarding major customers

No Single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2020 and March 31, 2019.

30. 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 % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated other comprehensive income	Rs. Mln.	As % to total comprehensive income	Rs. Mln.	
Parent, Indian:									
	Ramco Systems Limited								
	Balance as at March 31, 2020	136.52%	8,299.07	244.66%	248.91	(14.36%)	(24.63)	82.08%	224.28
	Balance as at March 31, 2019	139.32%	8,065.46	316.80%	518.86	(26.06%)	(15.90)	223.73%	502.96
Subsidiaries, Foreign:									
1	Ramco Systems Corporation, USA								
	Balance as at March 31, 2020	15.48%	940.86	295.24%	300.37	45.41%	77.89	138.43%	378.26
	Balance as at March 31, 2019	9.72%	562.59	128.64%	210.69	39.34%	24.00	104.40%	234.69
2	Ramco Systems Ltd., Switzerland								
	Balance as at March 31, 2020	3.35%	203.47	16.27%	16.56	13.05%	22.38	14.25%	38.94
	Balance as at March 31, 2019	2.84%	164.53	2.81%	4.59	3.73%	2.28	3.06%	6.87
3	Ramco Systems Pte. Ltd., Singapore								
	Balance as at March 31, 2020	0.93%	56.29	(56.63%)	(57.61)	(4.52%)	(7.75)	(23.92%)	(65.36)
	Balance as at March 31, 2019	(4.73%)	(274.02)	(157.64%)	(258.19)	0.32%	0.19	(114.76%)	(257.99)

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 % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated other comprehensive income	Rs. Mln.	As % to total comprehensive income	Rs. Mln.	
4	Ramco Systems Sdn. Bhd., Malaysia								
	Balance as at March 31, 2020	(3.16%)	(191.98)	(129.62%)	(131.87)	(4.37%)	(7.49)	(51.00%)	(139.36)
	Balance as at March 31, 2019	(0.91%)	(52.63)	(55.44%)	(90.80)	(0.81%)	(0.49)	(40.61%)	(91.29)
5	RSL Enterprise Solutions (Pty) Ltd., South Africa								
	Balance as at March 31, 2020	0.51%	31.05	0.37%	0.38	(2.46%)	(4.22)	(1.40%)	(3.84)
	Balance as at March 31, 2019	0.60%	34.89	(3.25%)	(5.33)	(11.91%)	(7.26)	(5.60%)	(12.59)
6	Ramco Systems Canada Inc., Canada								
	Balance as at March 31, 2020	0.43%	26.00	3.55%	3.61	0.45%	0.77	1.60%	4.38
	Balance as at March 31, 2019	0.37%	21.62	4.27%	6.99	(0.08%)	(0.05)	3.09%	6.94
7	Ramco Systems FZ-LLC, Dubai								
	Balance as at March 31, 2020	9.31%	566.21	61.97%	63.05	27.93%	47.91	40.61%	110.96
	Balance as at March 31, 2019	7.86%	455.26	14.08%	23.05	47.08%	28.73	23.03%	51.78
8	R S L Software Co. Ltd., Sudan								
	Balance as at March 31, 2020	(0.16%)	(9.49)	(1.54%)	(1.57)	0.38%	0.65	(0.33%)	(0.92)
	Balance as at March 31, 2019	(0.15%)	(8.58)	(6.86%)	(11.24)	15.90%	9.70	(0.68%)	(1.54)
9	Ramco Systems Australia Pty Ltd, Australia								
	Balance as at March 31, 2020	(6.32%)	(384.10)	(303.04%)	(308.31)	20.52%	35.20	(99.95%)	(273.11)
	Balance as at March 31, 2019	(6.57%)	(380.10)	(178.86%)	(292.95)	19.44%	11.86	(125.03%)	(281.08)
10	Ramco System Inc., Philippines								
	Balance as at March 31, 2020	3.28%	199.10	5.75%	5.84	16.72%	28.67	12.63%	34.51
	Balance as at March 31, 2019	2.84%	164.59	39.24%	64.28	12.26%	7.48	31.92%	71.76
11	Ramco Systems (Shanghai) Co. Ltd., China								
	Balance as at March 31, 2020	0.27%	16.60	4.51%	4.59	0.38%	0.64	1.92%	5.24
	Balance as at March 31, 2019	0.20%	11.37	4.22%	6.90	(0.47%)	(0.29)	2.94%	6.62
12	Ramco System Vietnam Company Ltd., Vietnam								
	Balance as at March 31, 2020	0.05%	3.26	(11.70%)	(11.91)	0.40%	0.69	(4.11%)	(11.22)
	Balance as at March 31, 2019	0.25%	14.48	0.12%	0.20	0.41%	0.25	0.20%	0.45
13	PT. Ramco Systems Indonesia, Indonesia								
	Balance as at March 31, 2020	(0.31%)	(18.79)	(24.02%)	(24.44)	0.46%	0.79	(8.65%)	(23.65)
	Balance as at March 31, 2019	0.08%	4.85	(5.13%)	(8.40)	0.84%	0.51	(3.51%)	(7.89)
14	Ramco Systems Macau Limited, Macau								
	Balance as at March 31, 2020	(0.01%)	(0.49)	(0.48%)	(0.49)	-	-	(0.18%)	(0.49)
	Balance as at March 31, 2019	NA	NA	NA	NA	NA	NA	NA	NA
Non-controlling interests									
	Balance as at March 31, 2020	(0.34%)	(20.76)	(7.31%)	(7.44)	-	-	(2.72%)	(7.44)
	Balance as at March 31, 2019	(0.23%)	(13.32)	(3.25%)	(5.33)	-	-	(2.37%)	(5.33)
Associate, Foreign									
	CityWorks (Pty.) Ltd., South Africa								
	Balance as at March 31, 2020	0.25%	14.99	2.02%	2.06	-	-	0.75%	2.06
	Balance as at March 31, 2019	0.22%	12.93	0.27%	0.44	-	-	0.20%	0.44
Effect of Inter company eliminations / adjustments									
	Balance as at March 31, 2020	(60.08%)	(3,652.28)						
	Balance as at March 31, 2019	(51.73%)	(2,994.94)						
Total	Balance as at March 31, 2020	100%	6,079.01	100%	101.74	100%	171.50	100%	273.24
	Balance as at March 31, 2019	100%	5,789.00	100%	163.78	100%	61.02	100%	224.81

31. Impact of COVID-19

Due to the outbreak of COVID-19 and the lockdown announced by Government of India and State Governments the Company's offices were closed in general and the employees were advised to work from home. The scenario was similar across our subsidiaries. Because of this, our operations were affected, and this had an impact on our global order booking and revenue. However, this was not materially significant for the FY 2019-20, as the lock down was announced in the later part of March 2020.

The lockdown is continuing in 2020-21 with various restrictions / relaxations and the operations are being carried on accordingly, in compliance with guidelines issued by various authorities with respect to following safety precautions like social distancing and prescribed hygiene standards. In order to mitigate the impact, the Group had undertaken various cost reduction measures.

The Group's capital and financial resources are well protected, though there would be an impact on the revenue and profitability. The liquidity position of the Group is adequate. The Group has been servicing its debt obligations as per schedule on the due dates. The Company did not avail any moratorium extended by the Banks as per the Reserve Bank of India's guidelines. The Group has sufficient liquidity / financial arrangements for the continuity of its business operations. The Group is confident of its ability to serve its debt and other obligations in future as well. The Group is confident to raise funds that may be required in the future, in the event of extension of the lockdown. The Group has got adequate internal financial controls commensurate with the size and nature of its operations and pertaining to financial reporting. There is no impact on the Group's supply chain. The Group does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts/agreements.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets and as per the current assessment of the Group, there is no material impact in respect of these. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties.

- 32.** Figures for the previous year(s) have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
- 33.** The figures in Rupees and USD have been rounded off to the million in current and previous year.

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

K.SRINIVASAN
Partner
Membership No.:021510
Tiruchirappalli

Date : June 19, 2020

P R VENKETRAMA RAJA
Chairman
Chennai

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Chennai

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

SOUNDARA KUMAR
Director
Coimbatore

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

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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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Third Annual General Meeting (“AGM”) of the Members of Ramco Systems Limited, will be held on Monday, September 07, 2020 at 03:00 p.m. through Video Conferencing / Other Audio Visual Means (VC), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the Report of the Board of Directors, Audited Separate (Standalone) Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.

“**RESOLVED THAT** the Board’s Report and the Company’s Separate (Standalone) and Consolidated Audited Financial Statements for the year ended March 31, 2020 and the Auditors’ Reports thereon be and are hereby considered and adopted”.

2. To appoint a Director in place of Mr. A V Dharmakrishnan (DIN:00693181), who retires by rotation and being eligible, has offered himself for re-appointment.

“**RESOLVED THAT** Mr. A V Dharmakrishnan (DIN:00693181), who retires by rotation be and is hereby re-appointed as a Director of the Company”.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

P R VENKETRAMA RAJA
CHAIRMAN

Place : Chennai

Date : June 19, 2020

NOTES:

1. The Company has chosen to conduct this AGM through VC, in view of COVID-19 Virus outbreak and in compliance with the applicable provisions of the Companies Act, 2013 (“The Act”) read with Ministry of Corporate Affairs (“MCA”) General Circular no. 14/2020, dated April 08, 2020, MCA General Circular no. 17/2020, dated April 13, 2020, MCA General Circular No. 20/2020 dated May 05, 2020 and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and such other instructions as may be issued by Statutory Authorities. Hence, Members can attend and participate in the ensuing AGM through VC.
2. Statement pursuant to Section 102 of the Act, setting out the material facts concerning each item of Special Business is not applicable, since no special business is proposed to be transacted. 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 (“SEBI LODR”) is included in this Notice.
3. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away with vide notification dated May 07, 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 20th AGM held on August 04, 2017.
4. Electronic copy of the Notice for the AGM and the Annual Report for the financial year (“FY”) 2019-20 are being sent to all the Members whose e-mail ids are registered with the Company/Depository Participant(s). Despatching of physical copies of the Financial Statements (including Board’s Report, Auditors’ Report, other documents required to be attached therewith), has been dispensed with. The Notice and the Annual Report are also available on the Company’s website – www.ramco.com for download and at the websites of the BSE Ltd. and National Stock Exchange of India Ltd., where the Company’s shares are listed. The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited (“CDSL”) (the agency appointed by the Company for providing the Remote e-voting facility, e-voting system during the AGM & the VC facility) i.e. www.evotingindia.com.

Ramco Systems Limited, INDIA

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA/SEBI Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. 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/mobile number, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), ("RTA") in the URL <https://investors.cameoindia.com/> by writing to them at 'Subramanian Building', No.1, Club House Road, Chennai 600 002, or by e-mail to investor@cameoindia.com .
7. As per Regulation 40 of SEBI LODR, securities of listed Companies can be transferred only in dematerialised form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's RTA for any assistance in this regard.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA/Company in case the shares are held by them in physical form.
9. 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.
10. In accordance with Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.ramco.com . Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA/Company in case the shares are held in physical form.
11. The Register of Members and Share Transfer Books of the Company will remain closed from August 31, 2020 to September 07, 2020 (both days inclusive).
12. A route map to reach the venue of the Meeting to be attached along with this Notice in accordance with Clause No. 1.2.4 of the Secretarial Standard-2 on "General Meetings" is not attached since the Meeting will be conducted through VC.

ATTENDING THE AGM THROUGH VC BY THE MEMBERS

13. The Company would be providing the CDSL system for the Members to cast their vote through remote e-voting and participate in the AGM through VC. Members may access the same at <https://www.evotingindia.com> under shareholders/Members login by using the remote e-voting credentials. The link for VC will be available in Shareholder/Members login where the EVSN of the Company will be displayed.
14. The Members can join the AGM in the VC mode 15 minutes before and within 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1000 Members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
15. Members are requested to join the Meeting through Laptops / IPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the Meeting.

16. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.
17. Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request at least 3 days prior to Meeting mentioning your name, demat account number /folio number, email id, mobile number (as registered with the Depository Participant/Company) to the mail id: investorcomplaints@ramco.com. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
18. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to Meeting mentioning your name, demat account number/folio number, email id, mobile number to the mail id: investorcomplaints@ramco.com . These queries will be replied by the Company suitably by email.
19. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
20. The Company is also releasing a Public Notice by way of advertisement being published in English in Business Standard (All editions) and in vernacular Language in Makkal Kural (All editions), containing the following information:
 - * Convening of AGM through VC in compliance with applicable provisions of the Act.
 - * Date and Time of the AGM.
 - * Availability of Notice of the Meeting on the website of the Company and the stock exchanges, viz. BSE Ltd. and National Stock Exchange of India Ltd., where the Company's shares are listed and at the website of CDSL.
 - * Requesting the Members who have not registered their E-Mail addresses with the Company, to get the same registered with the RTA in the URL <https://investors.cameoindia.com/> . Members are requested to register their email addresses with their Depository Participants in case the shares are held in dematerialised form.
21. The cut-off date will be August 31, 2020 for determining the eligibility to vote by remote e-voting or during the General Meeting.
22. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI LODR and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing remote e-voting facility through the e-voting platform provided by CDSL to enable Members to exercise their right to vote at the 23rd AGM by electronic means and the business may be transacted through such voting, through e-voting services provided by CDSL.
 - II. Members who are attending the AGM through VC facility are entitled for e-voting. Only those Members, who are present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
 - III. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the Meeting through VC facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.
 - IV. 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 Thursday, the September 03, 2020 and ends at 05:00 p.m. on Sunday, the September 06, 2020. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date viz., August 31, 2020 may cast their vote electronically. The remote e-voting shall not be allowed beyond 5.00 PM on 6th September 2020. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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- (ii) The Members should log on to the e-voting website www.evotingindia.com
- (iii) Click on “Shareholders” module
- (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) Alternatively, if the Member has already registered for CDSL's EASI/EASIEST e-services, he can log-in at <https://www.cdslindia.com> from Login - Myeasi using the login credentials. On successful log-in to CDSL's EASI/EASIEST e-services, the Member should click on e-Voting option and proceed directly to cast the vote electronically.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given in points (vii) and (viii).
- (viii) 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"> • 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 Folio No./Client ID in the PAN field • In case the said 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 said number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR 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"> • If both the details are not recorded with the depository or Company please enter the user id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Ramco Systems Limited.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.

- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page. It need not be sent to the Company.
- (xviii) If you have forgotten the changed password then enter the User ID and captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xix) Members 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 or Apple App Store. Please follow the instructions as prompted by the mobile app while casting your vote through remote e-voting on your mobile.
- (xx) **PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) Specimen Signature duly attested by the Bank Manager, where the Member is operating his bank account [the attestation should clearly carry the particulars of the bank manager, viz. his staff serial number, name and branch details], by email to the Company (investorcomplaints@ramco.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DP ID + CL ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) Specimen Signature duly attested by the Bank Manager, where the Member is operating his bank account [the attestation should clearly carry the particulars of the bank manager, viz. his staff serial number, name and branch details] by email to the Company (investorcomplaints@ramco.com).
3. The Company shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

- (xxi) Additional instructions for non-individual Members and custodians

Non individual Members (i.e. other than individuals, HUF, NRI etc.) and custodians voting for the first time are required to log on to www.evotingindia.com and register themselves as corporates. Corporates and custodians already registered with CDSL should use their existing login details.

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 .

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 and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the custodian/ authorised person, should be uploaded in PDF format in the system for the Scrutiniser to verify the same.

Alternatively Non Individual Members are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the above mention email address of the Company, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutiniser to verify the same.

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In case you have any queries or issues regarding e-voting & attending the AGM, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542)

In case of any grievances connected with facility for e-voting, please contact Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013. Email: helpdesk.evoting@cdsl.com , Toll-free No.1800225533 or 022-23058542/43.

- V. 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).
- VI. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 31, 2020.
 - I. Mr. K Srinivasan, Chartered Accountant (Membership No.021510), Partner, M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants has been appointed as the Scrutiniser to scrutinise 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 Scrutiniser, by using an electronic voting system for all those Members who are attending the AGM but have not cast their votes by availing the remote e-voting facility.
 - III. The Scrutiniser 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 scrutiniser’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 voting at the AGM.
- VII. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.ramco.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised 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

P R VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : June 19, 2020

STATEMENT PURSUANT TO SECTION 102(1) OF THE ACT - NIL

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM:

In accordance with the provisions of Section 152 of the Act, Mr. A V Dharmakrishnan (DIN:00693181), Director, retires by rotation and is seeking re-appointment at the ensuing AGM.

Mr. A V Dharmakrishnan, 63 years, Non-Executive and Non-Independent Director, is a Member of Institute of Chartered Accountants of India and qualified as a chartered accountant in the year 1980. Mr. A V Dharmakrishnan has about 40 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 January 31, 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, Corporate Social Responsibility Committee and Fund Raising Committee of the Company.

During the year he has attended all the Meetings of the Board and its Committees respectively.

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.	Ramco Industrial and Technology 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
		Independent Director Committee	Member
3.	Madurai Trans Carrier Limited	Nomination and Remuneration Committee	Chairperson
4.	Ramco Industrial and Technology Services Limited	Nomination and Remuneration Committee	Chairperson

Disclosure of Interest:

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

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

P R VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : June 19, 2020

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For more information, you can e-mail us at contact@ramco.com or visit us at www.ramco.com

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