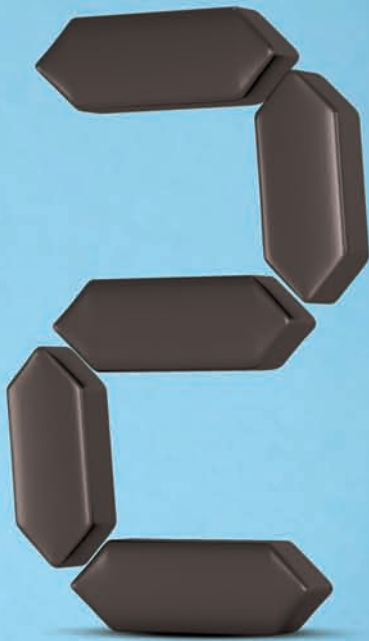


**REFLECTING  
ON THE PAST,  
BUILDING FOR  
THE FUTURE**



**25 YEARS  
BRINGING SIMPLICITY TO SCALE**

ANNUAL REPORT 2020-21





**“Gurubakthamani”**  
**Shri P R Ramasubrahmaneya Rajha**  
Sridharmarakshakar, Ramco Group



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An electronic version of this report is available online at: <https://www.ramco.com/annual-reports>  
Scan the QR code to download 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.

<b>Investor information</b>	
Market Capitalization as on March 31, 2021, at BSE	: Rs 16,207.82 Mln
Market Capitalization as on March 31, 2021, at NSE	: Rs 16,264.64 Mln
CIN	: L72300TN1997PLC037550
BSE Code	: 532370
NSE Symbol	: RAMCOSYS
AGM Date	: August 19, 2021
AGM Venue	: Virtual Meeting
AGM Mode	: Video Conferencing / Other Audio Visual Means

# 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, Tiruchirappalli

**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, Ramco Systems Macau Limited, Macao and Ramco Software Japan Limited, Japan.

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

# ANNUAL REPORT 2021

## THE MIRROR

Ramco is entering into its 25<sup>th</sup> glorious year. As we turn a momentous bend, this silver jubilee presents a golden opportunity.

We are standing at the cusp of greatness.

It is the right juncture to reflect on our legacy. To reflect on our vision, toil and recognitions. And give ourselves a pat on the back, for a job well done.

It is also a perfect time to gaze into the future. With a solid foundation, strong partnerships and amazing ideas, we are now sitting on a launch pad to propel ourselves to fame.

That's why we chose the humble mirror as the theme for this year's Annual Report. Mirrors don't just show things at face value. Sometimes, they bestow the power to look back at our past and look ahead at our future.

It's the power we wield when we are firmly planted at the cusp of greatness.

Which is exactly where we are now at Ramco.

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### KPIs of 2020-21

**USD 84.92 Mln, +5%**  
Annual Revenue

**USD 25.21 Mln, +58%**  
EBITDA

**USD 7.56 Mln, +421%**  
PAT

**22**  
'Million Dollar Plus' Deals

**USD 109.82 Mln**  
Order Booking

# KEEPING IT SIMPLE FOR 25 YEARS?

Since its inception, Ramco Systems Limited (also mentioned as Ramco or 'the Company' hereon) has been providing innovative enterprise solutions and enabling organizations to embrace digital transformation. In doing so, we have emerged as a global enterprise software player disrupting the market with our multi-tenant cloud and mobile-based enterprise software and solutions. We are driven by innovation and culture, enabling us to differentiate ourselves in the marketplace and provide simple and scalable outcomes.

We have built the next-generation, end-to-end enterprise solutions that render complete transformation of a business in real-time. Built on Ramco VirtualWorks®, our enterprise cloud computing platform enables the development of robust and scalable solutions that can address the entire business cycle.

We offer comprehensive ERP covering, Asset Management, Financials, Manufacturing, Project Management, Aviation MRO (Maintenance, Repair and Overhaul), M&E (Maintenance & Engineering), SCM (Supply Chain Management), Logistics, HR & Global Payroll on the most appropriate cloud Model – public, private.

## QUICK FACTS

- Part of the \$1 Billion Ramco Group
- One of the first IP led companies in APAC

**1997**

Year of inception



**1,000+**

Clients



**150,000+**

Users



**1,900+**

Employee Strength



**20**

Nationalities



**38%**

Women workforce



**49%**

Employees in the age group of 31-50



**24**

Global Offices

**50+**

Countries – client presence

**19**

Countries with legal entities

### Contribution to revenues in 2020-21

APAC	: 37%
India	: 24%
US	: 23%
Middle East	: 10%
Europe	: 6%



# BUSINESS MODEL: CREATING VALUE OVER THE 3 YEARS

## Inputs >> Resource capitals deployed to create value

### Financial Capital

Includes the cash generated from our operations, together with funding from investors and financial institutions that support our business and operating activities. This brings value to our shareholders and ensures we support our clients' financial well-being.

### Infrastructure Capital

Includes our offices, operations, and administration platform, technology infrastructure, and execution capabilities that ensure client-centric solutions.

### Intellectual Capital

Includes developing unrivaled expertise and thought leadership in delivering innovative ERP solutions for building competitive advantages for the clients and enhancing our prospects.

### Human Capital

Includes our efforts in finding and attracting skilled and motivated people and inspiring them to grow with us and our clients, by providing them meaningful employment and career growth opportunities.

### Natural Capital

Includes our efforts towards environment conservation through responsible utilization of valuable resources with minimum wastage.

### Social Capital

Includes our efforts towards the betterment of the employees, customers, and the society within which we operate.

## Processes and offerings >> That drive value

### How Ramco's suite of Enterprise Applications drive value for the customers

- Drive enterprise-wide business transformation
- Make innovation a core competitive advantage
- Create an intelligent ecosystem of customers, partners, and employees that stay connected at all times
- Real-time visibility into operations at the click of a button
- Get to market faster with new and innovative products or services
- Deliver a stellar user experience that drives higher engagement and retention of customers
- Create new revenue streams by integrating with the marketplace through APIs
- Drive down the cost of core IT spend

### Value-enablers

- Ramco Innovation and Core Technology Team
- Culture
- Governance
- Risk Management



## Output &gt;&gt; Value-created

Delivered next-generation offerings to MNCs, Fortune 500 companies, large industrial conglomerates, and enterprises with multi-country presence, spanning sectors...

- Aviation, Aerospace & Defense
- Drones/eVTOLs (Electric Vertical Takeoff and Landing)
- Manufacturing
- Real Estate & Construction
- Energy & Utilities
- Ports & Logistics
- Mining & Cement
- Facilities Management
- Staffing & Professional Services

...with innovative and most relevant solutions to resolve business challenges facing industries

**Zero UI:** Advanced conversational UI (User Interface) enabling real-time, at-source data capture, from diverse channels based on the choice of user, which is democratically and instantly available across the organization.

**Artificial Intelligence (AI) & Machine Learning (ML) technology:** Empowering businesses with tremendous cost benefits, while driving automation, and accuracy with its predictive capabilities, anomaly detection and reasoning.

**Frictionless computing:** Enabling transactions on the go with minimal or no-touch experience.

**Event-driven notifications:** Building systems with real-time notification that sends out possible recommendations to respective stakeholders on choice of channel (mobile, email, chat, or other), thus helping businesses move towards a proactive mode of operation and saving time.

**Universal Personalization Engine (UPE):** A smart real-time personalization capability which mines on a user's historical data to predict and personalize the user experience in any application interface (on desktop, mobile, or through a chatbot).

## Outcome &gt;&gt; Impact of value creation

## Investors

We benefit from attractive industry dynamics with respect to digital transformation. By managing our capital with care, we have grown our profits, cash flows and returns, translating into total lucrative returns for our investors.

**5%**

Revenue Growth

**58%**

EBIDTA Growth

**421%**

PAT Growth

## Employees

We provide rewarding employment for our colleagues. We invest in our talent and create an environment that empowers everyone to achieve their career goals.

**5.06 Years**

Average length of service

**16.7%**

Attrition rate

## Government, Regulatory Bodies and Social Partners

We abide by the Government and Regulatory guidelines and adhere to the statutory laws. We also add value to the society by way of employment creation.

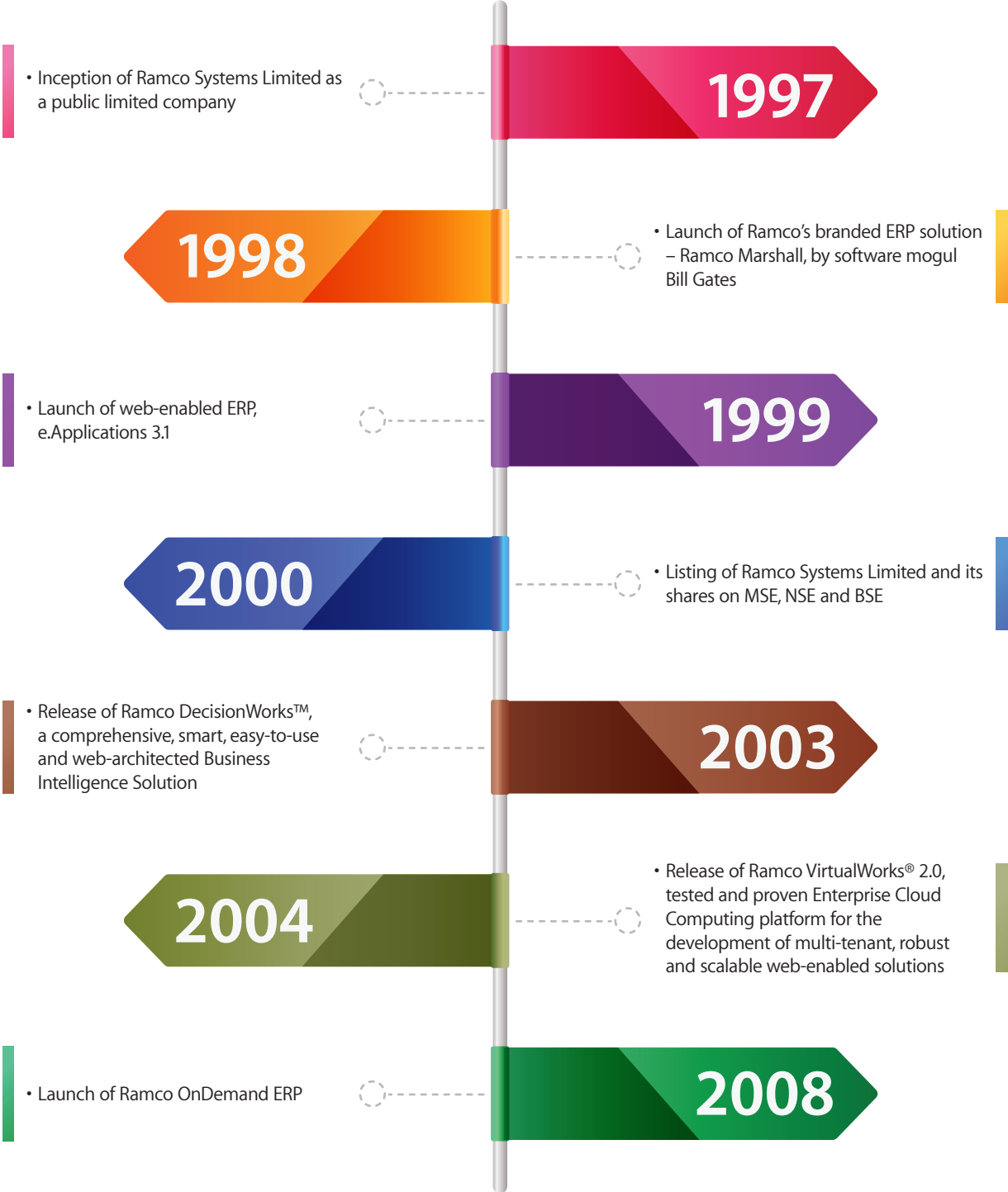
**Rs 660 Mln**

Global contribution to Government exchequer by ways of direct and indirect taxes (gross)

**Nil**

Regulatory Penalties

# 25 YEARS: MILESTONE?



2010

- Launch of Ramco OnDemand ERP 2.0, the next generation ERP on Cloud

- Launched SaaS ERP for Aviation Manufacturing at Miami MRO
- Launched Ramco OnDemand-Analytics & Gateway Products on the Cloud

2011

- Ramco ERP on Cloud added spatial capability by integrating Google Maps Engine to bring location-awareness and visualization capabilities into its Cloud ERP

- Announced global launch of HCM on Cloud by Unveiling power-packed, In-memory engine -Minnal
- Enhanced focus on three core offerings - ERP, HCM and Aviation

2013

- Strengthened hold in the Europe market with the Cloud ERP and Aviation MRO offering by announcing 5 new wins
- Launched ERP on Wearable Devices

2014

- Ramco Systems, AIR FRANCE KLM Opened Singapore Aviation MRO IT Lab, an Innovation Centre Supported by the Singapore Economic Development Board To Develop Advanced Aviation Engineering IT Solutions

- Recognised as LinkedIn's 2015 Top Social Selling Company in Asia
- Penetrated US Geography with wins in Aviation, ERP and HCM
- Announced Oceania Headquarters at Melbourne by signing deal with SeaRoad for Ramco Logistics Suite

2016

- Launched Workforce Innovation Centre in Australia

2018

Ramco has built a legacy of unsurpassed expertise and executional excellence in simplifying the digital transformational journey of our clients across the world.



## Dear Shareholders,

The world in 2020 was dominated by COVID-19, impacting the lives and livelihoods of millions across the globe. We wish that you and your family members are healthy and safe and following all the protocols to protect yourself against the still prevailing effects of the pandemic.

This past year has continued to test our individual and collective resilience. The health, safety and wellbeing of people continues to be at the heart of our COVID-19 response. While we hope that we soon enter a new phase with fewer restrictions, we are aware that there is no 'return to normal' anytime soon. However, the pandemic has accelerated or thrown into sharper focus longer-term trends, including technological disruption, accelerating consumer demand on alternate channels, innovation, socio-economic inequality, and climate change.

## 25 Years Young

At Ramco, we are stepping into our 25<sup>th</sup> year of incorporation, a significant milestone. I cannot help but feel a sense of pride and excitement! When we started in 1997, we were a small team in a modest office, with big dreams and a bold vision – to provide agile and intelligent enterprise solutions to businesses. We made the transition to next-gen technology when we moved to browser-based ERP with deep functionality and modern tech stack almost 18 years back, making us one of the very few end-to-end organically grown ERP companies with zero technical debt. The agility with which we have been able to embrace the new has been our driving force of success.

Today, we have emerged as a global enterprise software player disrupting the market with our multi-tenant cloud and mobile-based enterprise software and solutions. A small team that came together back then, has now branched out into an institution – thanks to the sheer zest that each displayed. We are driven by innovation and growth-driven culture enabling us to differentiate ourselves in the marketplace and provide simple and scalable outcomes. Today, we have 1000+ global enterprise customers across 50+ countries vouching for Ramco's efficacy.

## Digital Trend is Here to Stay

Businesses have become more focused towards transforming their business through innovative, digital strategy to make them more agile. This is observed in all the key focus industry segments in which we operate globally. With the new normal, companies are looking forward to having one platform/solution with latest technologies such as AI & ML, Multi-Tenant cloud capability, real-time connected system with complete virtual or remote implementation, reducing cost, saving manhours for transforming their core business operations and realigning their goals with the revised focus.

As a global enterprise software player today, we continue to disrupt the market with our next generation, multi-tenant cloud and mobile-based enterprise software in Global Payroll and HR, EAM & ERP, Logistics and Aviation, Aerospace & Defense (AAD). Built on Ramco VirtualWorks®, all of Ramco products are cloud architected by design and address the entire business cycle – be it promoting transparency across organization,

improving employee engagement, or encouraging collaboration, boosting operational efficiency, and increasing productivity. The organization has been delivering simplified solutions based on AI & ML and delivering measurable outcomes. Our work has earned plaudits from our clients and partners in addition to winning awards and recognitions from global institutions and organizations. Our steadfast focus on constant innovation is one of the important reasons why we have come this far.

## Year Under Review

With the onset of FY 2020-21, a majority of our workforce had to abruptly transition to a remote working environment. The work from home became the new norm and as an organization we ensured uninterrupted customer servicing. We ensured business continuity through several measures like virtual implementation and setting up Centre of Excellence (COE) teams. Some of the other prominent achievements during the year include development of pathbreaking solutions like touchless employee experience, Real-time Personalization, powerful embedded real-time analytics, and dashboards. Besides, we also deployed new technology in RVW (Ramco VirtualWorks), pervasive use of API, enabling the next gen UI to help us stay ahead of competition.

In the ERP business we rolled out important features like anomaly detection, real-time personalization engine and smart features for reducing data entry by up to 90%. In the logistics business, we extended our functionality to hubs, rail freight, and also addressed the logistics boom driven by e-commerce. In the HRP business, we introduced several features to enhance employee engagement that includes Self-Explaining Payslip to cut down HR Support cost significantly and self-configuring Payroll leveraging AI & ML capabilities. While our Payroll covers the statutory and regulatory requirements across 50+ countries, we will be embarking on a journey to cover the regulatory requirements of 62+ countries in the upcoming year, with a specific focus on covering countries in Europe. The aviation business introduced a host of solutions under Inventory Technical Management services enabling inventory pooling amongst customers to reduce inventory holding costs and allow for loan/exchange of expensive aviation parts (rotables), visual drag & drop planning and scheduling tools, and flight ops module with manufacturing capabilities to address customer needs holistically. Despite the industry challenges during the pandemic, the AAD business had a significant contribution this year with further inroads into the US Defense segment, onboarding one of Europe's largest MROs and making a mark in emerging market segments through early wins in Unmanned Aerial Vehicles (UAV) & Drone segment. This was augmented with several successful customer go-lives during the year.

We may have learned much from our successes but what you learn from your challenges can be even more important. Addressing adversity and emerging stronger and smarter has defined our success as a company in the past, and I have no doubt it will do so again in the future. Our dedication was further reflected when Ramco was awarded the 'Transformation' Award with Cobham Aviation Services for delivering digital transformation and the 'Collaboration' Award with Norske Skog Australasia for enabling ERP transformation at the 2020 ISG Paragon Awards, APAC. Besides, we are also strategically implementing Environmental Social and Governance (ESG) practices within the organization to develop long-term sustainability.

## Building Thought Leaders

At Ramco, our culture is based on a deep sense of ethics and holding one another to the highest standards. It's grounded in a desire to get things done right and in a timely manner. It's also about developing people. That's why we have thought leaders throughout the company and around the world who have spent their careers at Ramco doing incredible things credibly. We take pride in our diverse workforce, and value them for the experience and beliefs they bring with them. Spread across our 24 global offices are our multi-cultural workforce belonging to 20 nationalities, including American, Australian, British, Chinese, Filipino, German, South African, Vietnamese and more. We also opened legal entities in Japan and Spain in the year.

I sincerely express my gratitude to all those who contributed to the success of the Company over the years. You have been an incredible mélange of grit and hard work, determination and brains, diligence and integrity. It is no exaggeration to say that we would not have reached this place without each one of you.

## Closing Note

We have turned the page on 2020 and are ready to capitalize on the opportunities ahead. We may be turning 25 years old, but we still continue to be like a startup – ever hungry to innovate and deliver results. Our main objectives for the 2021 financial year are to stay focused on the execution of our strategic initiatives which will drive the business forward. We will continue to deliver on our client-centric proposition, while strengthening the talent pool within the business.

Our high performing people, trusted business partners and loyal customers, together with our strong project pipeline and long-term strategic vision, will ensure that we deliver sustainable value in the years ahead. In all that we do, we remain committed to act responsibly and to continuously improve as we take great strides forward. On behalf of our Board of Directors, thank you for your confidence and support.

Regards,

**P R Venketrama Raja**

# MESSAGE FROM CEO



Our focus continues to be on innovation across our enterprise offerings through bots, real-time personalization (using AI), auto-configuration, and responsive user interfaces, with minimal clicks being the top priority in the coming year. We are helping enterprises transform themselves rather than just implement an ERP. We assist businesses in drastically reducing processes and, on some occasions, eliminating the process completely, thereby delivering a quantum increase in benefits.

We are entering into an exciting era, venturing into emerging segments like eVTOL (electric vertical takeoff and landing), Drones, Space launch vehicles & US Defense with our Aviation, Aerospace & Defense (AAD) offering. Our ERP focus continues to be on logistics, process manufacturing, and niche, heavy asset-centric industries (for enterprise asset management), helping them accelerate Digital Transformation. We stay committed to augmenting our HR & Payroll (HRP) offering, expanding our country footprint, offering payroll compliance on a unified platform besides driving a frictionless employee experience, all of this leveraging AI & ML across anomaly detection, self-explaining payslips, bots, and more.

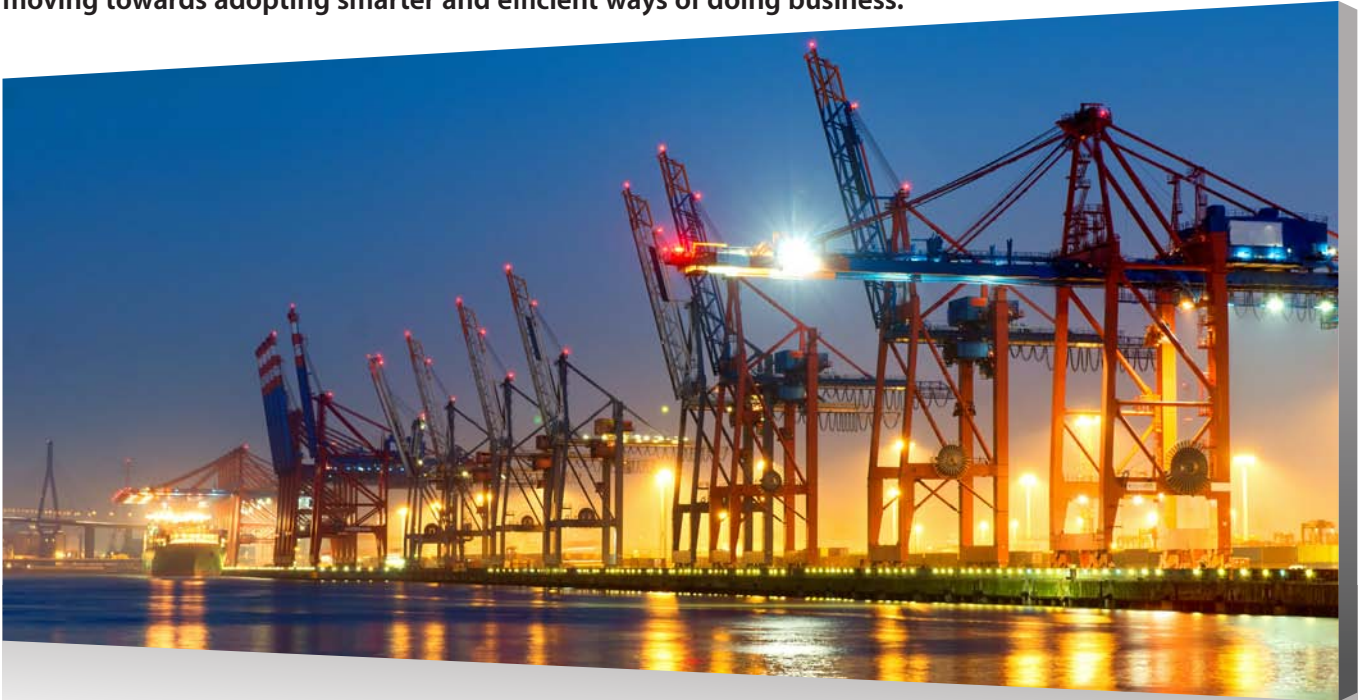
**Virender Aggarwal**  
CEO, Ramco Systems



**RISING TO  
NEW HEIGHTS?**



Technologies are transforming our lives at an unprecedented rate. Every business across the world is experiencing the wave of digital disruption, even more so accelerated by the current pandemic, and are moving towards adopting smarter and efficient ways of doing business.



## Overview

At Ramco, we have successfully responded to this underlying need by developing a suite of ERP products for varying business needs. Our offerings cater to specific industry segments like asset-heavy industries including cement & RMC (ready mix concrete), ports, heavy equipment rental, and people-centric businesses like staffing, and professional services companies like IT/ITES, management consulting firms, BPOs, legal, and accounting firms, facility management companies, and contractual labor-intensive industries. Our niche solutions along with the core ERP offering are integrated with the HR, Payroll and Finance functionalities. Built on Ramco VirtualWorks®, an advanced enterprise application assembly and delivery platform, Ramco ERP on Cloud enables you to get a 360-degree view of the business, anytime, from anywhere. All the business functions are put together on one single platform on the cloud and automated with end-to-end integration. Besides, the entire suite of product is accessible over the internet, leading to easy accessibility across the globe through any device.

### RAMCO ERP PRODUCT VERTICALS

Product-centric	People-centric	Asset-centric
<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Large Conglomerates</li> </ul>	<ul style="list-style-type: none"> <li>• Staffing</li> <li>• Contingent Workforce</li> <li>• Professional Services Automation</li> <li>• Facility Management Services</li> </ul>	<ul style="list-style-type: none"> <li>• Ports</li> <li>• Energy and Utilities</li> <li>• Process Manufacturing</li> <li>• Equipment Rental</li> </ul>

### WORDS THAT BUSINESSES RECALL AFTER USING OUR PRODUCT

- Integrated ERP
- Modular solution
- Cloud ERP
- AI & ML infused solution
- Frictionless computing
- Intelligent ERP Solution
- API driven architecture
- Active ERP
- Chatbots
- Voice Recognition
- Natural Language Processing (NLP)
- Hubs
- Mobility
- Innovation
- Real-time connected solution





“Digital Transformation has become crucial today. We are glad to be at the forefront of this transformation that businesses are embracing. We will continue to help our customers transform their business in major ways by – providing one common digital platform with real-time harmonized data through common ERP; real-time capturing of the data with minimalistic touch, and enabling AI & ML platform for assisted decision-making, thus empowering an organization to transform the core business with our innovations.”

Harsh Vardhan G,  
President and Head, ERP Solutions, Ramco Systems



## Highlights 2020-21

### INNOVATIVE FEATURES

Added several innovative features using Ramco’s underlying AI & ML platform. These include:

- Anomaly detection and providing smart suggestions
- Data defaulting using Ramco’s Personalization Engine to minimize manual data entry, thus reducing manual errors & increasing throughput
- Zero UI features like:
  1. Chatbots: Chat with systems from the ease of your favorite social messaging apps like, MS Teams, Slack, FB Workplace, WhatsApp, Telegram, Signal, etc.
  2. Smart adaptive forms to quickly fill timesheets, raise or approve any invoice/new work requests/ project work allocation, etc. from your mobile device through your email or messaging apps
  3. Real-time alerts and notifications for making informed decisions
  4. Interactive dashboards for in-depth analysis and reporting
  5. Voice recognition and voice-enabled transaction processing
- Enhanced hubs (for the heavy-duty users, to get all the work done in one place)

- Extensive addition of APIs during the last year to enable Application, Channel and Device independence of the user interface

### KEY DEVELOPMENTS

#### Asset-centric industry

- Added and enhanced sub-industry segments such as cement and process manufacturing, ports, energy and utilities, and heavy equipment rental
- Added new features like smart adaptive forms, data defaulting, anomaly detection, UPE, Zero UI, and interactive dashboards, among others, for an enhanced user experience

#### People-centric businesses

- Introduced Zero UI features to address the needs of sub-industry segments such as staffing and professional services

#### Contract labor management

- Building product capabilities to address the needs of ever-increasing contingent workforce as the world moves to a gig economy

### KEY RECOGNITIONS

With innovation at the core of our business, we were recognized by the various leading analysts for our work on innovation and with clients.

- Positioned as Leader in Software Reviews ERP Data Quadrant
- Recognized as Disruptor in Avasant’s Financial Management Suites 2020 RadarView
- Felicitated with ISG Paragon Award 2020. Won the ‘Transformation’ Award with Cobham Aviation Services for delivering digital transformation and the ‘Collaboration’ Award with Norske Skog Australasia for enabling ERP transformation
- Positioned as Facilitator in Nucleus Research’s WFM Technology Value Matrix 2020
- Positioned as Major Contender in Everest Group’s Vendor Management System (VMS) Products PEAK Matrix Assessment 2021

### FUTURE STRATEGIES

#### Strategy#1

##### Enterprise Asset Management (EAM)

- Focus on Asset Performance
- Utilization
- Uptime
- ROI

#### Strategy#2

##### Services Resource Planning (SRP), including people-centric businesses like Staffing

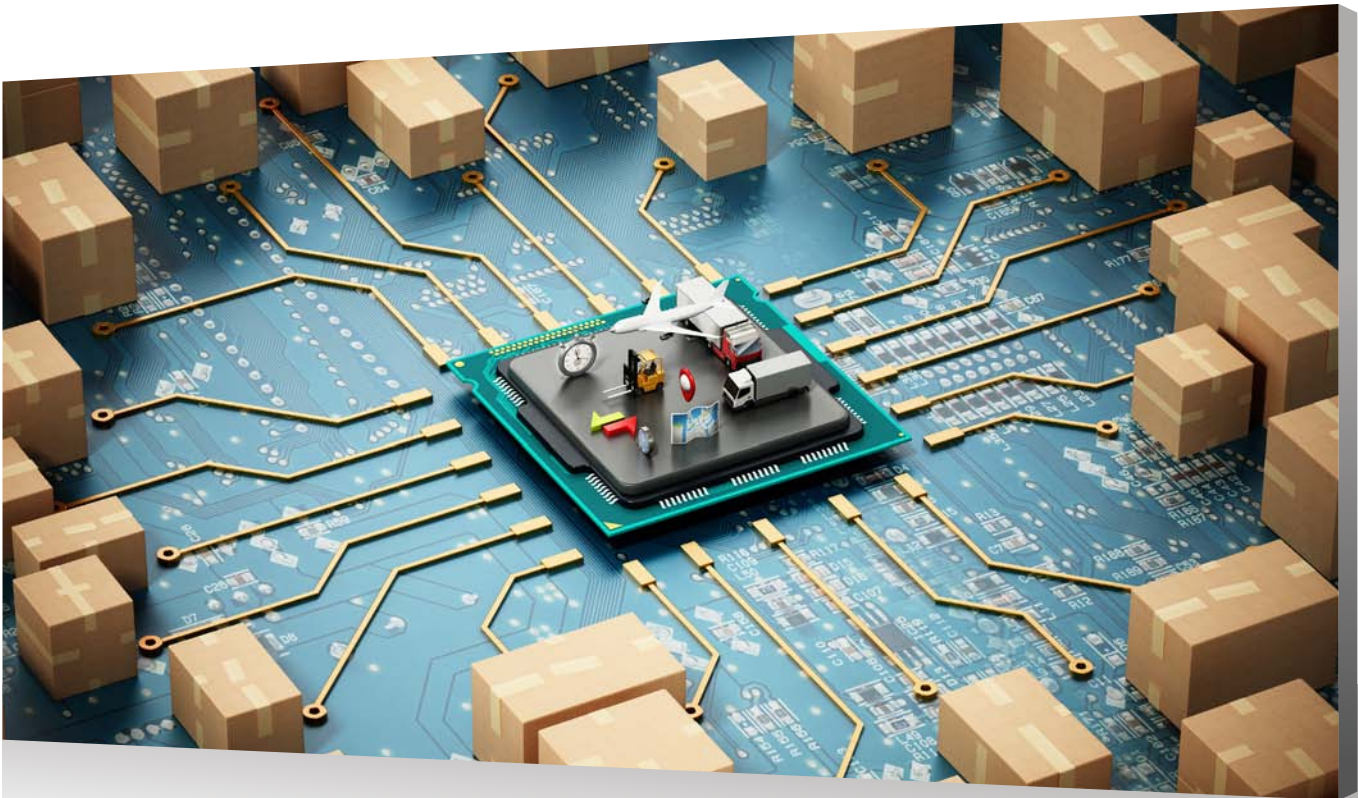
- Building product capabilities to address the needs of ever-increasing contingent workforce as the world moves to a gig economy
- Forming a new fusion of hybrid workforce primarily driven by the contingent manpower, who work within their own time frame
- Addressing the requirement of managing the hybrid workforce i.e., on-roll/off roll, regular and remote workforce

#### Strategy#3

##### Digital Transformation

- Addressing organizations that are planning to undertake their business transformation journey to make themselves more agile
- Aiding the large conglomerates and complex businesses with their metamorphosis to make them a real-time connected business by transforming their core business with innovations, to drive sustainable results and ultimately helping them to become a smart organization

The dynamic environment of the logistics industry constantly generates demands for quality, flexibility, reliability, and the type of services offered. With the emergence of technology, the logistics sector is now modernizing itself with the implementation of automated systems, leading to cost rationalization, improved efficiencies, and raising the levels of customer service.



## Overview

At Ramco, we had identified the vacuum in the logistics space before we developed Ramco Logistics five years back. Our philosophy behind this product was driven by the challenges faced in the logistics industry, customer feedback, and market opportunity. For instance, when we realized that a Logistics Service Provider should not have to resort to a solution made for a manufacturer, we developed an end-to-end Digital Platform made especially for Logistics Service Providers.

We onboarded an experienced team with a strong background in the logistics industry and built the entire product architecture with granular detailing. We further integrated the cloud-based system within the entire logistics value chain, supported with AI & ML for better interactivity and stronger efficiency.

### FOCUS SECTORS

E-Commerce	3 <sup>rd</sup> Party Logistics (3PLs)	Freight Forwarders
Project Cargo	Cold Chain Logistics	Courier Express & Parcel
Chemical and Dangerous Goods	Automotive	FMCG
Bonded Warehouse	Port Logistics	...and many more

### WORDS THAT BUSINESSES RECALL AFTER USING RAMCO LOGISTICS

- Transportation Management System (TMS), Warehouse Management System (WMS), Hub Management, Fleet Management, Integrated Billing, Command Center, Mobility Solutions – all unified into one platform
- Unified Ecosystem
- Powered By AI & ML
- Zero UI
- Dynamic Optimization
- Lower manual efforts
- Real-time tracking
- Achieve compliance



“We offer an end-to-end, tailor-made platform for logistics service providers. Our rapid implementation capability to go live quantifies our expertise in this segment. Besides, improved visualization, user experience, and extensive usage of AI & ML ensure delight for the end-user.”

Naval Sabharwal,  
Global Head, Logistics and Supply Chain Solutions, Ramco Systems



## Highlights 2020-21

### INNOVATIVE FEATURES

Added several innovative features using Ramco’s underlying AI & ML platform. These include:

- Warehouse re-slotting, pick path optimization, SKU (stock-keeping unit) compatibility in warehouse management, route optimization to enhance productivity and reduce operational expense in transportation
- UPE – Universal Personalization Engine to reduce first-time data entry by > 80% (it uses the past data run through ML engines, anticipates the data, and fills it in automatically)
- Email based form-fill inputs to enable transactions to be done seamlessly without logging into the application
- Alerts & notifications tool to allow transactions through mobile notifications instead of logging into the system to do the transaction
- Chatbots driven conversational user experience for various functions like the right charge type, track, and trace, etc.
- Anomaly detection to detect errors that the human eye cannot capture, reducing bill leakages
- Person-based auto-configuration depending on human perception/judgment influenced by current operational pressures

### CLIENT ADDITIONS

Added several marque clients during the year. These include:

- One of the top 15 logistics service providers in the world based out of Australia
- A large conglomerate disrupting the retail landscape in India
- One of the largest bonded warehouse service providers in Saudi Arabia
- One of India’s largest logistics service providers, in terms of fleet size
- One of Malaysia’s large conglomerates operating five key ports in the country

### COMPETITIVE OFFERINGS

- Dedicated platform to serve the logistics industry globally
- Talented design team comprises people with decades of logistics experience
- Integrated solutions beyond modules, offering one platform for 3PLs (Third-party logistics), freight forwarders & parcel service with no touch automated service billing
- Common platform for direct operation of ecosystem and agents
- Multi business lines and Multi vertical support on a single platform with an inbuilt integration platform
- Hub/Xdock management for Multi modal
- Offers automated business solutions through holistic demand-supply solution via VERDHAS\*
- Quick software updates as per customer needs

\* V - Vehicles E - Equipment R - Recurring Trips D - Drivers H - Handlers  
A - Agents/Suppliers/Vendors S - Schedule of Air/Ocean Carriers

### ENCOURAGING OUTCOMES

**10x**

Improvement in planning speed

**15%**

Increase in on-time delivery

**3%**

Increase in transaction-level profitability with EBITDA improvement

**25%**

Increase in resource utilization

**10%**

Increase in routing

**30%**

Increase in productivity

### FUTURE STRATEGIES

Going ahead, we aspire to ride the wave of e-commerce boom that has been accelerated by COVID-19. The advent of drone-based delivery has added to this boom; and we seek to provide solutions to manage the steadily increasing transaction volume. Meanwhile, we will continue to work towards making Ramco Logistics Platform a go-to product for any logistics service provider organization across the world that wishes to enhance its operational efficiency, reduce costs and improve customer satisfaction.

The HR and Payroll domain is increasingly witnessing digital transformation across the world. Organizations, globally, are embarking upon HCM (Human Capital Management) and Payroll transformation programs by automating core functions, and in the course of action redefining talent acquisition, retention, performance measurement, payroll management, and other tasks that will drive employee engagement.



## Overview

At Ramco, payroll has been our core focus owing to the ever-increasing needs of the market. We have positioned ourselves as a global payroll provider along with robust integration and a flexible plug-and-play architecture. Ramco Global Payroll enables organizations to comply with all statutory and regulatory requirements across 50+ countries besides driving harmonization of global payroll processes on a single platform. We will be embarking on a journey to cover the regulatory requirements of 62+ countries in the upcoming year, with a specific focus on covering countries in Europe.

The solution is designed to address operational HR modules as well, including core HR functions, time & attendance, and global payroll, among others. The organizations can deploy the solution on cloud, or leverage as a managed service. Our native integration is built for leading strategic HCM platforms including Workday and Oracle.

### WORDS THAT BUSINESSES RECALL AFTER USING RAMCO HRP

- Innovation
- Zero UI and Chatbots
- Multi-country payroll on a single code base –With a comprehensive coverage in APAC and MEA regions, Ramco is now expanding the same platform with single code base to cover UK and other nations in European Union, which will give an unmatched experience and scalability on same product
- Frictionless user experience
- AI and ML
- Payroll outsourcing
- Payroll compliance – Systematically updated to incorporate the latest tax and regulatory changes
- Unified application – Core HR, time & attendance, and expense modules that allows the function of a seamless payroll system
- Versatility – Consideration for variances within the individual, local geographies and dealing with multi-element, multi-decimal, multi-currency, and multi-country payroll
- Mobility – Mobile-friendly and device-agnostic solution which enables anytime, anywhere access, facilitating multi-tasking and business on-the-go
- Multi-model delivery- supported on multiple deployment models - Cloud/ Managed Services



We continue to progress on our mission to transform the HR & Payroll ecosystem and to leverage next-gen technology like AI & ML in driving employee experience. Our software & services disrupts the traditional processes to provide robust, compliant, low touch and transparent solutions. We will continue to create more value for the entire HR and Payroll ecosystem with our advanced capability to process multi-country, multi-frequency, and multi-currency payroll.

Rohit Mathur  
Business Head, HR & Payroll Solutions, Ramco Systems



## Highlights 2020-21

### INNOVATIVE FEATURES

Added several innovative features through our Innovation Lab. These include:

- Pandemic Control System for safe return to workplace
- Automation through chatbot, RamcoCHIA – employee and administrator queries
- Intelligent Self-Explaining Payslip – that answers queries on arrears, OT (Overtime) break-up, LOP (Loss of Pay), pay components, and more
- Anomaly detection and reasoning engine
- Five new countries added in multi-country coverage
- Global Payroll Compliance portal/compliance dashboard
- Get-Set-Go: Smooth data migration framework
- Pre-configured templates for country-specific implementation
- New age mobility
- Advanced analytics

### CLIENT ADDITIONS

Added 45 new customers across Southeast Asia, India, China, Australia, New Zealand, the Middle East, and Africa with a total headcount of 1,10,000. Some of the prominent names include:

- Global Fortune 500 & Top 5 Logistics Provider worldwide
- Global Fortune 500 power equipment and automation technology company

- Global Fortune 500 telecommunication equipment, networking equipment and consumer electronics brand
- Global Fortune 500 & Leading global multinational producing fire, HVAC & security equipment
- Global Top 10 dairy company
- Leading healthcare and medical equipment company
- Leading beverage and food company in Australia and New Zealand
- A leading, sustainable agricultural innovation and technology company
- Leading construction company in Australia
- India's largest, and one of world's largest, automobile parts manufacturer

### GO-LIVES

Went live for 223 entities for 98 accounts across Southeast Asia, India, China, Australia, New Zealand, the Middle East, and Africa with a total headcount of over 5,08,000. Some of the prominent go-lives include:

- Global Fortune 500 & Top 10 automobile manufacturer worldwide
- Two of the top 5 consulting firms in the world
- One of world's largest energy and automation digital solutions providers
- Leading Australian construction, property, and infrastructure company

### KEY RECOGNITIONS

- Recognized as a leader in Nelson Hall's NEAT Matrix for four consecutive years
- Recognized in 2020 Gartner Market Guide for Multi-Country Payroll Solutions
- Featured as 'Major Contender' in Everest Group's PEAK Matrix for multi-country payroll platform (MCP)
- Positioned as a Technology Leader in the 2020 SPARK Matrix for Multi-country Payroll by Quadrant Knowledge solutions
- Recognized by 'The Forrester Wave' for SaaS Human Resource Management Systems
- Won two Golds (Best Payroll Software and Best Payroll Outsourcing Partner) at HR Vendors of the Year Awards, Singapore, and a Silver and a Gold (Best Payroll Outsourcing Partner and Best Payroll Software, respectively)

## PANDEMIC CONTROL SYSTEM

Ramco launched 360° Pandemic Control System for workplace safety & employee health for organizations that resumed operations post lockdown. Some of the key offerings include:

### Workforce Planning and Scheduling

- Capacity & occupancy planning
- Workforce planning & scheduling based on safe distancing guidelines
- Self-declaration by employees on chatbot before commuting to work
- Employee work pass/entry badge issuance

### Safe Entry and Pre-screening

- Touchless attendance with facial recognition or voice recognition
- Thermal screening to isolate employees with symptoms
- Mask detection to allow only employees with masks

- Self-declaration with pre-screening questions through voice assistants
- Safe entry based on testing data to isolate asymptomatic

### Safe Distancing at Workplace

- Real-time safe distancing alerts upon proximity detection
- Real-time location tracking for crowd sensing, employee tracking within premises, hotspot sensing, etc.
- Contact tracing based on self-declaration & anonymous alerting

### Testing & COVID-Proofing

- Allow employees to upload COVID-19 Test data
- Alerts & Notification to employees based on frequency/contact tracing/role/location, etc.
- Allow employees to provide an anonymous tip on any colleague displaying symptoms

## FUTURE STRATEGIES

### Strategy#1

#### Business priorities:

- Expand into European and US markets
- Focus on large enterprises and MNCs
- Drive partner ecosystem
- Ensure faster implementations with pre-configured solutions
- Focus on managed services
- Expand through global delivery centers

### Strategy#2

#### Product Priorities:

- Self-Explaining Payslip
- Ramco CHIA, the AI-powered chatbots
- Anomaly and Reasoning Engine
- Control Hub: Global Payroll Monitor
- Connectors with leading HCM providers like Workday, Oracle, Ultimate Kronos Group, etc.
- Financial wellness: Payment Gateways, On-demand Pay
- Multi-language support
- Compliance hardening through in-country providers
- Making payroll as touchless as possible with AI and ML

# RAMCO AVIATION

## Arrival of next-gen solutions

The technological innovation in the aviation space is still lagging as compared to the rapid advances in aeronautical engineering. The engineers and mechanics at hangars and shops still grapple with siloed legacy systems and are often stuck with paper-based processes. An integrated and next-gen software like Ramco Aviation can digitally transform organizations.



### Overview

At Ramco, our aviation suite is powering over 4,000 aircraft & 24,000 users globally. We offer a comprehensive end-to-end Aviation Maintenance & Engineering (M&E)/Maintenance Repair & Overhaul (MRO) product supporting the needs of MROs, Defense, Heli operators, Electric Vertical Takeoff and Landing (eVTOL), Drones/Unmanned Aircraft Systems (UAS), and airlines. Our solution is accessible on cloud, mobile, tablets as well as on-premise. The application has streamlined processes for organizations and has helped them migrate from paper to digital systems to improve operational efficiency and customer satisfaction drastically. We achieve an integrated process-level approach that targets the full value chain throughput, rather than interventions towards siloed efficiencies.

### RAMCO AVIATION REVOLVES AROUND...

Aircraft Maintenance & Engineering	Supply Chain Management	MRO & Part Sales	Flight Operations	Aviation Finance
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### SERVING...

MROs	Heli Ops	Defense
Original Equipment Manufacturers (OEMs)	eVTOLS & UAS/Drones	Airlines

### Words that businesses recall after using RAMCO Aviation

- Integrated
- Modular
- Flexibility
- Mobility
- Defense Compliance
- Next-gen technologies



Ramco Aviation acts as an enabler of digital transformation for aviation organizations that are at the cusp of digital metamorphosis. Our unmatched capability in mobility lets aircraft technicians work on the go and continues to help shopfloors go paperless. Ramco's approach towards transformation also includes augmenting digital work execution. Meanwhile, our growing presence in the US Defense segment has led us to strengthen defense compliance requirements enabling widespread acceptance. Drones for delivery and flying taxis heralds a new era in modern aviation. We strongly believe that Ramco is the next-gen aviation software that can cater to this emerging industry of eVTOL, drone, and UAS...

Sam Jacob  
Senior Vice President & SBU Head, Aviation,  
Aerospace & Defense, Ramco Systems



## HIGHLIGHTS 2020-21

### INNOVATIVE FEATURES

- **Mobility Applications:** Ramco's 'Anywhere' apps enable managers and mechanics to work on the go. Our 9 mobile applications are extensively leveraged by customers to gain operational efficiencies. Our flagship mobile application, Mechanic Anywhere, continues to transform the shopfloors and help them go paperless through remote access to maintenance documents, technical assistance, and digital sign-offs, which is especially helpful with compliance and statutory related functions.
- **Electronic Publications:** Ramco has empowered the customers to receive and manage the digital content from their OEM in XML and SGML file formats. Ramco also developed automated capabilities to process PDF-based OEM and customer documents. These capabilities along with Mobility have made digital transformation of shopfloor a reality. It has also had an exponential impact on cycle time, data accuracy, decision-making quality, and operational agility/scalability.
- **Inventory Technical Management (ITM):** This addresses the complex process of Aviation rotatable management including pooling, exchanges, part reliability, and repairs. We are one of the few providers of this end-to-end solution, globally. Our Advanced Planning and Optimizations module delivers value to businesses by optimizing the inventory cost. We released a full-fledged ITM solution and have gone live with the solution at one of the world's largest MROs.
- **3<sup>rd</sup> Party Ecosystem:** The aviation industry is interconnected, and business applications need to be interoperable and integration-ready so that they can transcend organizational boundaries to create a seamless self-orchestrated platform.

We continue to invest in building native adaptors with industry platforms such as OneAero and Aeroxchange and have even deployed these successfully at our customer sites. In addition, we also built API with a host of complementary solutions for managing specialized functions such as expense management, bank integrations, shipper aggregators, etc.

- **Defense Compliance:** We have strengthened our compliance requirements to meet the regulations set by International Traffic in Arms Regulations (ITAR), Defense Contract Management Agency (DCMA), and Defense Contract Audit Agency (DCAA). We have released comprehensive product functionality on the Trade Compliance module for license management and automated screening restrictions for exports.
- **Usability:** We strive to constantly enhance the usability of the software based on customer feedback. We have introduced five new hubs each one focusing on a specific role. These hubs provide the user with the interface to carry out 80% of their day-to-day operations. These hubs offer visibility into various stages of the process, real-time operational KPIs, and alerts for any overdue tasks. They are:
  - Material Demand Management Hub
  - Customer Request, Order Management Hub
  - Fixed Asset and Maintenance Asset Tracking Hub
  - Component Reliability Hub
  - Supplier Repair Order Management Hub

### CLIENT ADDITIONS

- Europe's leading MRO service provider
- American provider of tactical fighter aircraft for contract air services including military and defense industry customers
- Leader in heavy-lift helicopter services, specializing in support for the construction, HVAC, fire-suppression and defense industries
- One of world's best known multi-industry companies with global network of aircraft, defense, industrial and finance businesses
- Leading global vertical flight solutions provider, offering helicopter offshore oil & gas transportation and search and rescue (SAR) services
- Specialist aviation company providing high quality support and services to fixed wing and helicopter operators, owners and service providers
- Lagos-based airline with a mission to be the quality airline
- American Defense Contractor and Training & Adversary Air (ADAIR) Support Provider
- Added a large OEM and signed the largest multi-million order till date

### Future Strategies

Going ahead we aspire to dominate globally with our Ramco Aviation ERP in helicopters, third-party MROs, and eVTOL/UAV, segments. We also see our business expand significantly in defense, with the US contributing significantly.



**OUR PEOPLE  
CULTURE**



**At Ramco, our culture is based on a deep sense of ethics and holding one another to the highest standards. Our emphasis is on developing people. That's why we have thought leaders throughout the company and around the world who have spent their careers at Ramco doing incredible things in a simplistic manner over the past couple of decades!**

Our people culture focuses on driving an engaged, empowered, and high-performing workforce. We aim to be the employer of choice for people in our industry and the supplier of choice for our customers. Our company culture helps us to achieve this. Always acting with integrity and respect, being passionate about safety, security, and service excellence, and achieving success through teamwork and innovation, sets us apart.

### Talent Acquisition

Attracting, recruiting, and retaining the best people makes a key difference in an organization's success. Ensuring we recruit the right people is a responsibility shared by the hiring manager and the relevant HR team members. We are constantly looking to streamline our recruitment processes by utilizing the latest technology.

In the recent past, we digitally onboarded our campus recruits. As a part of pre-boarding, they had access to content on technology topics and product certifications that were supplemented with regular connect sessions with our subject matter experts. Upon joining, a customized training program is generally conducted, based on the business unit an employee is assigned to.



### Health and Safety

Our culture and the resilience of our employees enabled us to adapt to the unanticipated impact of COVID-19 and move forward. As an organization, we ensured the complete health and safety of our employees and undertook the following initiatives:

- Updated employees on COVID-19 precautions on a constant basis
- Increased safety precautions by regular workspace sanitization and strict protocols
- Installation of Facial Recognition systems for a touchless entry
- Provisioned COVID-19 leaves for employees, for self and to attend to immediate family members
- Provided financial assistance to employees to take care of self and immediate family members for hospitalization/COVID care
- Created a COVID response team and provided assistance of doctors who will be available for Ramco employees
- Updated employees periodically on COVID related infrastructure facilities

### Training and Skill Development

The goal of the Learning & Development (L&D) team is to become a professional development center, capable of providing quality programs to support the strategic objectives of business units while addressing the needs to enhance individual performance.



The priorities for 2020-21 were career growth, retention of top talent, and innovation. And to achieve them several learning initiatives and programs were organized. The participation rate for our skill development programs stood at 82%. In the year bygone, Ramco Systems attained an average 3/5 training person-days for the male employees and an average 3.4/5 training person-days for the female employees.

We placed emphasis on training and skill development of people to help them readjust to the new, remote-working circumstances. We undertook initiatives like mindfulness sessions, online counseling, COVID-19 awareness drive, and welfare sessions for children, to ensure the overall well-being of our employees. We extended and promoted the provision of mental health support and emotional support through programs like Internal Well-being, Relational Well-being, Coping with Stress, Anxiety and Fear and Remaining Focused on Purpose.



### Learning at work week

We conducted a week-long learning carnival focused on technical skills and people-oriented sessions with over 3,000 hours of learning, 12 sessions that were facilitated by 12 external speakers. Learning @ Work week is an exclusive event dedicated to building learning culture at work.

### Motivational Programs

We conducted several programs aimed towards employee benefits and initiated several activities to keep them motivated throughout the year. Some of these activities include:

**CEO Club:** Initiative to attract, develop and retain future leaders and subject matter experts at Ramco. It is a two-year program where we identify high-potential employees, who are valued by the organization for their skills, leadership abilities, future potential, and commitment. We select 1% of the organization's talent through this program, where we provide mentoring and coaching, high visibility projects, niche learning opportunities, and allocate assignments to bring the best out of them.

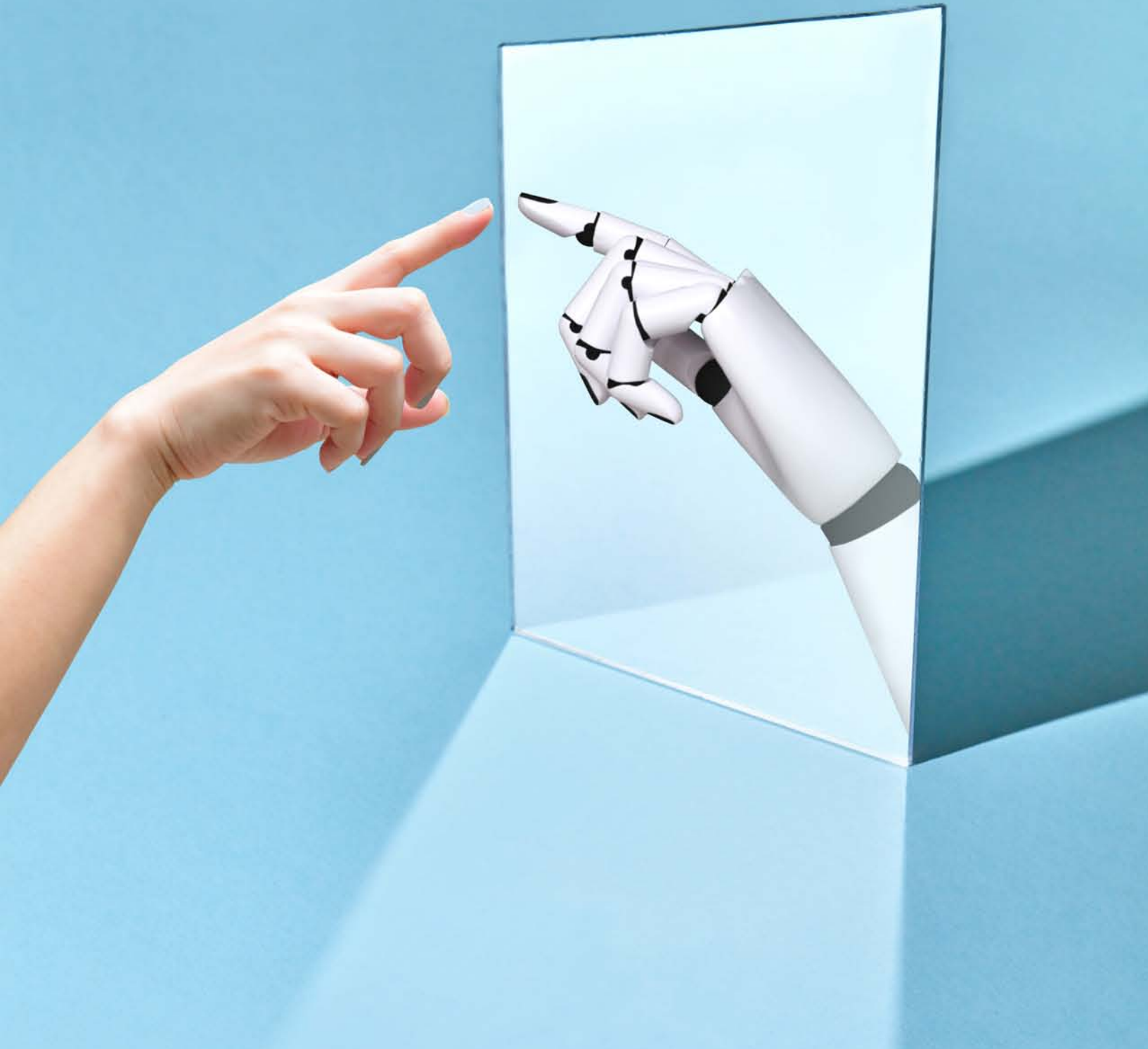
**Accelerator Program:** It is a one-year program, where we spot talented and highly potential managers from junior to mid-level. We engage and develop organizational skills that strengthen the talent pipeline. This program works beyond providing compensation and benefits to the employees. It also involves a motivating work environment, a larger scope for learning & development, recognition, and professional growth, among others.

**Employee Connect Sessions:** As a responsible organization, we work hard to offer an employee experience where everyone can feel safe, valued, and included and where every employee can offer their unique contribution. Employee connection is more than just a social engagement; it's a shared vision. An engaged workforce is essential for our organization to create an impact and deliver on our purpose and engage with our employees, even more so in a crucial year like the last one. We did so in a variety of ways, with online webcasts, virtual fun at work days, employee events, regular skip level connect for employee bonding, regional events with business leaders, and managerial calls to keep employees informed and engaged.

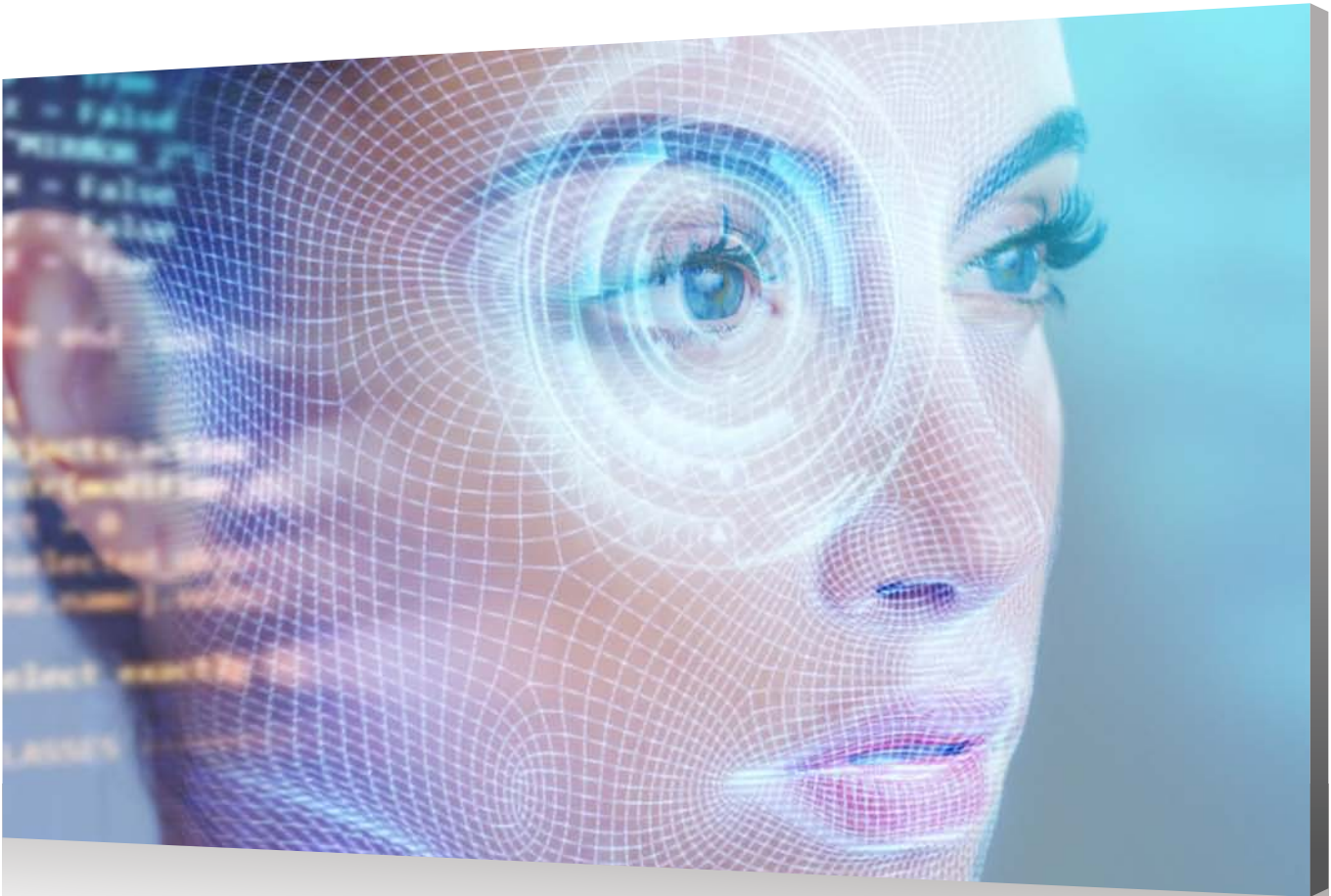
**Recognitions:** We are constantly evaluating the ways we laud our employees to create a culture of recognition. Efforts have been taken in providing a quarterly recognition calendar to celebrate short-term wins. Over 20% of our staff have been rewarded and recognized in 2020.



**LOOKING AT NEXT-GEN  
INNOVATION**



**At Ramco, we design, market, and deliver innovative, industry-leading technology solutions that add value for our customers wherever they operate.**



Innovation remains the driving force that differentiates us. Our dedicated innovation lab located in Singapore employs the most agile minds in creating solutions that are not just innovative but also useful in simplifying processes. Besides, they ensure that our products keep pace with global consumer and technology trends. Our major innovations revolve around:

**Zero UI:** Over the last few years, Ramco has steadily focused on moving towards Zero UI, enabling organizations to move from data-hungry screens to smart, intuitive conversation/voice-based transactions. Our fool-proof, omnichannel User Interfaces are powered by simple voice and text message input which doesn't even need a login and is yet fully secure & complete. From calendar planning to raising part requests and leave applications, ZERO UI integrates and streamlines daily transactions across all platforms, giving employees time to focus on larger matters of concern rather than routine, mundane transactions.

**AI and ML:** Our software is infused with Artificial Intelligence (AI) and Machine Learning (ML) which can analyze the data, question a user, and recommend optimum solutions to implement. It is made for the future where the applications should be able to think,

predict, prompt, and possibly automate. We leverage behavioral analysis and prediction to automate tasks, reduce data entry and train the model to arrive at intelligent predictions. The AI engine will predict any anomaly thus averting anything that will negatively impact the business operations.

**Frictionless Computing:** We are building an interactive world where our frictionless technology delivers an engaging employee experience. We are an early mover in the use of voice-based services which offers voice input driven transactions. RamcoGEEK is our intelligent facial recognition-based attendance technology that removes the need for any clicks, logins, or ID cards. It solves the problem of tracking and tallying attendance information, plugging revenue leaks for the organization. Our Innovation Lab unveiled yet another innovation last year which drew upon RamcoGEEK and combined it with a thermal imaging device to help organizations enable a touchless attendance system while monitoring temperatures of those who walked into the office. Coming in the wake of a pandemic, this was both a relevant and necessary invention.



**Alerts, Notifications and Actions (ANA):** Ramco empowers its application users with an integrated mobile experience that provides instant notifications and helps them take appropriate action anywhere, anytime. Users can be alerted to exceptions like a huge payment approval, or a regular notification like an employee's leave request. These are real-time push notifications that a user receives on their mobile device, which can be seen on the home page even if the app is not open. It enables the users/approvers to manage their daily business functions without having to navigate multiple screens and several logins. They will have to just swipe on the mobile screen and click on the desired option.

**Universal Personalization Engine (UPE):** The future will be all about understanding the user, their personal preferences, and delivering solutions tailored to their needs. Organizations are leveraging heaps of information available in historical data to draw patterns and build personalized solutions. UPE is all about truly understanding a user and prompting them with relevant information. Ramco Universal Personalization Engine is a powerful tool. It uses AI and ML to leverage behavioral analysis and prediction to reduce data entry, while simultaneously training the model to arrive at intelligent predictions.

**API-based Global Ecosystem and Federated Enterprise:** Business APIs are indeed the backbone of cognitive computing, IoT, Blockchain, and other futuristic tech. We create flexible, next-gen API solutions with comprehensive functions, packaged with cloud, mobile, and bots from our team and technology partners. Our APIs can smoothly connect to third-party data sources to deliver a complete integrated user experience. And that brings us to the next subject, which is our creation of a decentralized marketplace for enterprises that brings together manufacturers, suppliers, and customers. We have applied the federated architecture model to platform-based software usage leading to developing BPaaS or Business Platform as a Service system. The potential of an integrated system combined with the flexibility of choosing platform-based software usage is limitless.

**Ramco CHIA:** Our intelligent AI-driven bots can resolve problems within minutes and save tedious man-hours taken to address simple problems. Moving beyond ESS/MSS transactions, we have launched interactive bots to simplify the day-to-day Q&As of professionals across industries and functions. CHIA has matured over the last 3 years, with about 150,000+ subscribed users having more than 10

million conversations, to perform 870,000+ transactions. Over time, the digital assistant improves contextual awareness, gets smarter and anticipates users' needs based on their behavioral pattern, and even prompts actions as needed.

## Case Studies

### Using AI and ML in payroll applications

Ramco Systems has pioneered the use of AI & ML to address payroll challenges around data hygiene, payroll fraud & leakage. Payroll reconciliation is a mammoth task, especially when it involves a large workforce spread across multiple countries. With ML, Ramco Payroll can look at historical data spanning across years in a fraction of time to spot payroll anomalies. Ramco's Net Pay Anomaly Detector can easily look through net pay trends spanning many months using the Isolation Forest Algorithm (IFA) and spot outliers.

**Live case:** A global management consulting firm with 50,000+ employees uses Ramco's platform for processing fortnightly pay-out. They have 900+ pay components and 80+ types of overtime with 100K+ Recurring, 200K+ Non-recurring, and 200K+ OT-based inputs to be considered. Looking for outliers in 11 million data sets (50,000 employees x 200 pay components) was like looking for a needle in a haystack. Ramco's AI/ML-based Anomaly detector helps spot errors/misses within minutes and the payroll is done smoothly, which is both, timesaving and cost-saving, above all error-free leading to improved employee experience.

**Live case:** A multinational conglomerate with its presence across sectors such as steel, infrastructure, cement, and energy, uses Ramco's solution to help contain the problem of ghost employees. Earlier, they had several instances of payroll fraud where ghost employees were introduced in the payroll and the net pay was credited to a bank account directly/ indirectly linked to the fraudster. Using ML, Ramco's payroll solution could easily look up through years of data to identify if the same bank account was ever used in another transaction previously. Ramco's Contract Workforce Management Solution, covering 65,000+ employees, now helps them with eliminating duplicity of manpower hours among other things. A single plant from the group, which had implemented our solution, was able to save approximately USD 6.4 Mln per year by arresting revenue leakages.

We proudly say that we focus on Innovation and Culture to differentiate ourselves in the marketplace. The Innovation lab is where ideas are born and shaped, and this steady focus on R&D is what has encouraged the Singapore government to back the I-lab.



# MAKING A DIFFERENCE!

At Ramco, our actions, and endeavors toward strengthening our Environmental, Social and Governance (ESG) practices reflect our customer centricity and sound business strategy for achieving operational excellence and long-term business sustainability.

Our ESG philosophy is driven by our commitment to our customers, shareholders, business partners, employees, and the society. Furthermore, we are responsible for contributing to the realization of our ESG priorities, whether through upholding our principles for good governance or through an ESG focused role.

## ENVIRONMENT

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Reducing our environmental footprint, conserving natural resources, and managing waste is the key to our circular economy approach and sustainability practices. Some of our initiatives include:

### Energy Consumption

Over the past five years, we have significantly reduced our energy consumption. We have replaced conventional high-energy consuming equipment and lightings with energy efficient means at our corporate office. These include:

- Replacement of old generators, air conditioners, lifts & conventional lights with the latest energy efficient equipment
- Replacement of conventional lights across all the floors with smart and efficient LEDs

Going ahead, we plan on engaging with renewable energy partners to take initiatives on clean technology, energy efficiency and renewable energy.

↓35%

Reduction in per capita energy consumption owing to COVID-19 lockdowns

### Water Consumption

We pay equal attention towards conservation of a valuable recourse like water. In a bid to reduce water wastage, we have replaced old sanitary fittings with the latest water conserving sanitary fittings and sensor taps.

↓77%

Reduction in water consumption owing to COVID-19 lockdowns

### Waste Management

Being in an Information Technology space, the waste generation is minimal and is within the permissible limits given by the statutory bodies. The larger part of waste comprises of used papers and stationeries. We continuously recycle waste papers and reuse the printer toner cartridges after refilling them.

# SOCIAL

We act with integrity and ensure right actions for our employees, customers, and partners. Our policies promote a diverse workforce, an inclusive environment and a culture of learning and development. Some notable aspects of these have been listed down as following:

## Employee Welfare and Diversity

We empower our diverse and talented employees to bring in a sense of ownership, and oneness, and make them feel proud of the organization they work for. Every individual is provided with equal employment opportunities and a healthy diversity is maintained across the organization. Besides, there is a strong balance in pay parity across the levels of the organization with pay levels aligned to the industry best practices.

**Rs 5.20 lakhs\***

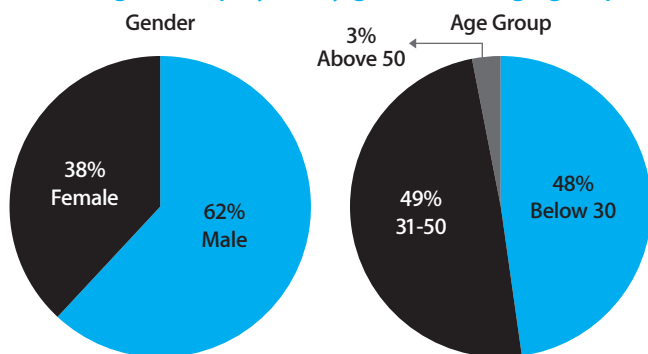
Median Employee Remuneration

\*Denotes the median remuneration for employees in India offices.

**Rs 1.43 Mln**

WTD remuneration

## Percentage of employees by gender and age group



## Training and Development

We have mandatory upskilling/reskilling programs that is aligned to our business growth and objectives. Every employee must mandatorily undergo 40 hours of training in a financial year. The training metric is published to all the business units as well as to the management team.

**40 hours**

Mandatory training in a financial year

## Health and Safety

At the onset of COVID-19, our priorities were very clear. First, to ensure the health and safety of our people and their families, and second to ensure business continuity. We transformed and reorganized our ways of working and revamped our process and stayed in close contact even when working remotely. Besides, we also initiated programs to address health and wellbeing of all employees. These included fitness programs, yoga sessions and counselling sessions to counter the unforeseen stress. Post the gradual easing of lockdowns, we followed all the specified protocols

by the Government and created COVID-secure workplaces for our employees.

## Customer Centricity

Staying at the forefront of our industry relies on us being able to place our customers at the heart of our business. This involves meaningful engagement with our customers across our entire operations, starting from project initiation, execution, delivery to customer support. It allows us to develop a deep understanding of their unique needs and meet their requirements. Our constant endeavors towards enhancement of customer experience are further driven through our structured surveys and implementation of insights provided by our customers. Some of these initiatives include:

**Product Management Council (PMC):** Under this initiative, few of the customers are actively involved with the product team where they provide constant feedback over product improvement and new features development.

**Engagement Level Feedback (ELG):** This is a quarterly feedback survey that's run across all customers undergoing project implementation. The survey primarily aims to get feedback on the overall delivery experience through parameters like adherence to timeline, quality, people/team working with and overall intent to recommend Ramco.

**Net Promoter Score (NPS):** These is the annual survey conducted across the organization encompassing all customers undergoing product support at the given point of time. The survey focuses on the overall support experience in terms of operations as well as getting feedback from the customer on parameters like product usability, flexibility, and comprehensiveness, among others.

The common outcome of such initiative was to improve the product UI and UX, as well as make it more intuitive and intelligent through automation.

## Cyber Security

Ramco Systems continuously enhances its cybersecurity posture by leveraging state of the art products and services at different layers of information access and flow, for its critical systems and user base. Our implementation is through the adoption of sets of frameworks covering Endpoint Detection and Response (EDR), Data Level Protection (DLP), Privileged Access Management (PAM), Zero Trust Network (ZTN), Data encryption at rest as well as in transit. Our environment is monitored through Security Information and Event Management Systems (SIEM) with strong security governance structure in place. All these supplements our existing Information Security Management System (ISMS) and SOC2 Type II controls. Our systems are regularly audited every year by reputed third party agencies to ensure information security for the services offered through SaaS. Ramco has defined its data privacy and protection policies that are aligned with data protection regulations of different countries to ensure data security. Few recent updates on our enhanced security posture are:



- Deployed EDR tool to detect abnormal activities in critical servers and end user systems using machine learning based on detection systems
- Deployment of DLP systems to proactively prevent and contain data leakages at various sources
- Implementation of Privilege Access Management (PAM) system to ensure System Administrator's access to the critical systems are fully contained & controlled at granular levels
- Deployment of Zero Trust Network (ZTN) ensured communication between definitive set of 2 end points on predefined access only and in turn preventing unwanted traffic flows
- Provisioning Micro segmenting on-Premises Hosting Data Center environment into segregated Network structures to increase availability and at the same time contain unforeseen security events
- As a part of our Business Continuity Plan, our product development environment is backed up in 2 different geographies to mitigate seismic and political risks
- Security Information and Event Management (SIEM) collects logs continuously across all critical systems to proactively alert through Security Control Center for any abnormal behaviour in the system, for early detection, and prevention. The advance corelation using threat prevention feeds and machine learning systems enables higher degree of control and improvement of our security posture across infrastructure level (Cross layered detection & response).
- Deployment of Hyper Converge Infrastructure (HCI) will bring in an optimized Data Center Compute and Storage footprint, thereby reducing energy and cooling requirements in our data centers. At the same time, HCI brings in greater resiliency, higher security levels with the adoption of Zero Trust oriented Software Defined Network solutions within the HCI environment,

supplemented by micro segmentation. Self-provisioning features of the tools enhances quick deployment, employee's productivity and in turn improves speed to market.

### Employee Stock Option Plan (ESOP)

The Company has instituted various Employee Stock Option Plans (ESOPs) for the benefit of employees for their unwavering commitment to the Company's Growth.

It covers the Non-Independent Directors, employees of Company, and its subsidiaries.

Please refer the Annexure to the Boards Report on pages from 43 to 51, for more details on the ESOPs.

### Community Well-being

Ramco's Corporate Social Responsibility programs are mainly targeted towards promoting education, including special education and employment, enhancing vocation skills, especially, among children, women, elderly and the differently abled and their livelihood. The activities are carried out by Shri Abhinava Vidyatheertha Seva Trust.

The CSR policy is available at the Company's website, at the following weblink:

<https://www.ramco.com/hubfs/investorrelations/Corporate-Social-Responsibility-Policy.pdf>

### Rs 14.45 Mln

CSR Contribution

## GOVERNANCE

At Ramco, sound and effective governance and operating to the highest standards of responsible business practices underpin sustainability. It guides our approach to engaging with our stakeholders, effectively managing risk, while supporting innovation in driving our business.

### Rights of Shareholders

Ramco has clear practices and processes in place to handle investor grievances.

Grievances received from investors and other miscellaneous correspondence/mandates are duly heard and adhered to, and timely actions are initiated. The grievance escalation mechanism is clearly defined, and escalation can be made to Regulatory authorities in case of deviations. The status of investor complaints is presented to the Board of Directors and intimated to stock exchanges on a quarterly basis.

### NIL

Investor complains in 2020-21

### Whistle Blower Mechanism

The Company has a whistle-blower mechanism available for all the stakeholders (internal/external) to report complaints and suspected or illegal activities. The CEO is the corporate ombudsman, to administer the Vigil Mechanism. The Vigil Mechanism is further overseen by the Audit Committee.

### Responsibilities of the Board

Our commitment to diversity and inclusion starts with our Board and flows through our organization. The Board comprises of professionals from different backgrounds who bring with them diverse knowledge and experiences that plays a key role in assuming responsibilities within the Company. These include

transparency and accountability through sound corporate governance policies and at the same time implementing feedback and suggestions on the Board improvement plan.

Please refer to the Board's Report & Corporate Governance Report on pages from 33 to 36 and 65 to 69, for more details.

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#### **No. of Board Meetings held during FY 2020-21**

Please refer to the Corporate Governance Report on page number 66, for more details.

#### **Board Representation**

50%

Independent Directors on the Board

#### **Board Committees**

Ramco's Board Committees facilitates effective resolution of all the important issues. The Audit Committee, Nomination and Remuneration Committee and the Allotment Committee are headed by Independent Director, and the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee are headed by Non-Executive Director. The constitution of these Committees is in line with the applicable laws. In case of Board Committees, the representation of the independent Board Members is adequate and is also in line with applicable laws.

For more information on the various Committees of the Board, please refer to the Corporate Governance Report on pages from 69 to 73.

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fourth Report of the Board of Directors ("Board") 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, 2021.

### SUMMARY OF PERFORMANCE

In the FY 2020-21, your Company continued its growth momentum, with a consolidated turnover of Rs.6,263.06 Mln., as against previous year's turnover of Rs.5,689.16 Mln., recording a growth of 10% over the previous year. The consolidated Profit after tax for the FY 2020-21 was

Rs.557.77 Mln. as against Rs.101.74 Mln. for the previous year. Consequently, the consolidated earnings per share improved to Rs.18.20 for the year, as against Rs.3.32 for the previous year.

The standalone turnover registered a growth of 12.8% and stood at Rs.3,450.05 Mln. in the FY 2020-21, as against previous year's turnover of Rs.3,058.48 Mln. The standalone Profit after tax for the FY 2020-21 was at Rs.442.25 Mln. as against Rs.248.91 Mln. for the previous year.

Amongst the business units, Aviation registered a growth of 43% in terms of consolidated revenue. Amongst the geographies, Europe recorded a growth of 99%. Cost optimization measures and improvement in the operating efficiencies had enabled repayment of loans of Rs.962.50 Mln. during the FY 2020-21, resulting in making the borrowings zero at the end of the year.

### FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2021 and March 31, 2020 are as follows:

Rs. Mln.

Particulars	For the year ended March 31					
	Standalone			Consolidated		
	2021	2020	Inc./ (Dec.)	2021	2020	Inc./ (Dec.)
Revenue from Operations	3,450.05	3,058.48	12.80%	6,263.06	5,689.16	10.09%
<b>Total Income</b>	<b>3,543.58</b>	<b>3,197.56</b>	<b>10.82%</b>	<b>6,408.71</b>	<b>5,780.87</b>	<b>10.86%</b>
Finance Cost	75.91	107.56	(29.43%)	88.25	122.05	(27.69%)
Depreciation & Amortization	629.52	606.08	3.87%	691.46	664.65	4.03%
<b>Total Expense</b>	<b>2,731.21</b>	<b>2,584.70</b>	<b>5.67%</b>	<b>5,329.84</b>	<b>5,445.78</b>	<b>(2.13%)</b>
Profit before Interest, Tax & Depreciation (EBITDA)	1,517.80	1,326.50	14.42%	1,858.58	1,121.79	65.68%
<b>Profit before Tax</b>	<b>812.37</b>	<b>612.86</b>	<b>32.55%</b>	<b>1,079.22</b>	<b>337.15</b>	<b>220.10%</b>
Provision for Tax	370.12	363.95	1.70%	512.24	227.97	124.70%
<b>Profit after Tax Attributable to Owners of the Parent</b>	<b>442.25</b>	<b>248.91</b>	<b>77.67%</b>	<b>557.77</b>	<b>101.74</b>	<b>448.23%</b>

### BUSINESS HIGHLIGHTS

Over a period of time, we have built a legacy of expertise and executional excellence. We have simplified the digital transformational journey of our clients across the world and made them more agile. Today, we are fast-growing enterprise software player disrupting the market with our multi-tenant cloud and mobile-based enterprise software and solutions. We have built the next generation, end-to-end enterprise solutions that render complete transformation of the business in real time. Our solutions are further simplified through an extensive deployment of AI/ML and delivering measurable outcomes.

Companies' world over are adapting digitization in their processes and are looking forward to having a platform/solution with latest technologies driven by AI/ML, multi-geographical coverage, cloud hosting capability with real time connected system and complete virtual or remote implementation. Post pandemic, the digital implementation has accelerated across the world. Our solutions are enabling clients to embrace this remarkable change by helping them in reducing cost, saving manhours, transforming their core business operations and realigning their goals with the renewed focus.

## Board's Report (Contd.)

Detailed review of operations of the various Business Units has already been covered under business review portion of this Annual Report.

### 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 <https://www.ramco.com/hubfs/investor-relations/DIVIDEND-DISTRIBUTION-POLICY.pdf>.

Your Directors have decided to conserve the funds for future growth opportunities and had not recommended any dividend for the FY 2020-21. 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.310.63 Mln. and paid up capital stood at Rs.307.49 Mln. as on March 31, 2021 as against Rs.309.52 Mln. and Rs.306.39 Mln. respectively as at the end of the previous year. The Securities Premium has also increased to Rs.6,633.66 Mln. from Rs.6,585.58 Mln. and 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)
<b>Paid up Opening as at April 01, 2020</b>	<b>30,603,181</b>
May 25, 2020	1,752
August 08, 2020	1,312
September 24, 2020	40,202
November 16, 2020	10,024
December 18, 2020	17,462
February 03, 2021	30,873
March 19, 2021	9,276
<b>Paid up Closing as at March 31, 2021</b>	<b>30,714,082</b>

### DEPOSITORY SYSTEM

Your Company's shares are in compulsorily tradable securities in electronic form. As on March 31, 2021, 99.59% of the Company's total paid up capital representing 307,494,710 shares are in dematerialized form. To avoid fraud/delicacy of shares, the Members holding shares in physical mode are advised to avail the facility of dematerialization from the depositories.

### CREDIT RATING

During the year, there has been no change in the rating provided by ICRA Limited. Vide its credit rating letter dated April 29, 2021, ICRA has revised the ratings for the Bank Facilities of the Company. The Outlook on the long-term rating is upgraded from A – (Positive) to A (Stable). The details of said revision in the rating is available at the Company's website, at the following <https://www.ramco.com/hubfs/investor-relations/CreditRatingIntimation-30-04-2021.pdf>.

Facilities	Amount (Rs.Mln.)		Existing Rating	Revised Rating
	Existing	Revised		
Long term Fund based/CC (Upgraded)	350	350	A- (Positive)	A(Stable)
Long term Fund based/Term Loan	100	NIL	A- (Positive)	Not Applicable
Short term fund based facilities (Reaffirmed)	1,375	1,375	A2+	A2+
Short term Non-Fund based facilities (Reaffirmed)	305	305	A2+	A2+
Unallocated (Reaffirmed)	15	115	A- (Positive) / A2+	A(Stable)/ A2+
<b>Total</b>	<b>2,145</b>	<b>2,145</b>		

## Board's Report (Contd.)

### 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 1,000 listed entities as per Market Capitalization data issued by Stock Exchanges as on March 31, 2021. In accordance with Regulation 34 of SEBI LODR, the Business Responsibility Report ("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, 2021. In accordance with Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statements 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). In accordance with Regulation 46(2)(s) of SEBI LODR, Separate Audited/ Reviewed Financial Statements of the above subsidiary companies are placed on the website of the Company.

The Audit Committee reviews the Financial Statements of subsidiaries, including the investments made in the subsidiaries, on a quarterly basis and minutes of the Meetings of the subsidiary are placed before the Board Meetings.

Subsequent to the close of FY 2020-21, the Company has incorporated a wholly owned subsidiary in Japan – Ramco Software Japan Kabushiki Kaisha (Ramco Software Japan Limited – In English) on April 01, 2021. However, as per the local regulations in Japan, the share capital of JPY 9.50 Min. (Rs.6.42 Mln.) was remitted on March 25, 2021 in advance, before incorporation.

As on March 31, 2021, the Company has 5 overseas branch offices at UK, Germany, UAE, Australia and Spain.

#### Material Subsidiaries

Based on the financials of FY 2019-20, following subsidiaries were identified as material subsidiaries for the FY 2020-21 in accordance with Regulation 16(1) of SEBI LODR:

1. Ramco Systems Corporation, USA
2. Ramco Systems Pte. Ltd., Singapore
3. Ramco Systems FZ-LLC., Dubai
4. Ramco System Inc., Philippines

Based on the financials of FY 2020-21, following will be the material subsidiary for the FY 2021-22 in accordance with Regulation 16(1) of SEBI LODR:

- Ramco Systems Corporation, USA

Since the income of this material subsidiary is more than 20% of the consolidated income, it warrants the appointment of an Independent Director of the Company in that subsidiary in accordance with Regulation 24 of SEBI LODR. Since the Company had already appointed Mr. M M Venkatachalam, Independent Director of the Company as a Director of that subsidiary on May 22, 2019, he continues to be a Director of that subsidiary, thus fulfilling the requirements.

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 <https://www.ramco.com/hubfs/investor-relations/ramco-material-subsiidiary-policy.pdf>.

#### Consolidated Financial Statements

In accordance with Section 129(3) of 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 <https://www.ramco.com/investor-relations/annual-reports>.

In accordance with 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/annual-reports>. 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, 2021, 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 (DIN:07273249), Manager designated as Whole Time Director, belongs to Promoter Group.

During the year, no appointment / re-appointment (except the retirement by rotation and re-appointment of Mr. A V Dharmakrishnan, (DIN:00693181), Non-Executive & Non-Independent Director) / resignation of Directors took place.

## Board's Report (Contd.)

The Company had formulated a Code of Conduct for the Directors and Senior Management Personnel and the same has been complied with. The said Code is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/investor-relations/code-of-conduct-business-ethics.pdf> .

### Retirement by Rotation and Re-Appointment

In accordance with Section 152 of the Act and Articles of Association of the Company, Mr. Sankar Krishnan (DIN:01597033) Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting ("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

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

The Company has received necessary declaration as laid down in Section 149(7) of the Act from all the Independent Directors confirming that they meet the criteria of independence as provided 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 and Qualification of Directors) Rules, 2014, the Company has received declarations from Independent Directors confirming that they have registered with the Independent Directors Data Bank through Indian Institute of Corporate Affairs. Amongst them, Mr. M M Venkatachalam and Mr. R S Agarwal have been exempted from passing the online proficiency self-assessment test conducted by IICA. Mrs. Soundara Kumar has passed the proficiency self-assessment test, for Justice Mr. P P S Janarthana Raja (Retd.), time is available upto February 26, 2022 for passing the self-assessment test.

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

Information on familiarization 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 in Corporate Governance Section of this Annual Report and in the Extract of Annual Return uploaded in the website under the following link: <https://www.ramco.com/investor-relations/investor-information/annual-return/> .

### Number of Meetings of the Board

Your Board met four (4) times during the FY 2020-21 on June 19, 2020, August 08, 2020, November 03, 2020 and February 03, 2021 and further details on this aspect are given in the Corporate Governance Section of this Annual Report. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days or such other period as stipulated under the Act and SEBI LODR. Accordingly, the Board Meeting, amongst others, to consider Q4 financial results of FY 2019-20 was held on June 19, 2020, before the extended timeline of June 30, 2020, prescribed by SEBI.

### Board Committees

The Board has following Committees during the FY 2020-21:

- a. Audit Committee
- b. Stakeholders Relationship Committee
- c. Nomination and Remuneration Committee
- d. Corporate Social Responsibility Committee
- e. Allotment Committee
- f. Fund Raising Committee

In accordance with the disclosure requirement of 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 attendance, composition of the Board and Committees along with other disclosures are provided in the Corporate Governance Report Section of this Annual Report.

Meetings of Board and Committees held during the year are in compliance with the circulars and notifications issued by Ministry of Corporate Affairs ("MCA") and SEBI in this regard.

### Diversity

Your Company recognizes the importance of a diverse Board for its success and believes that a diverse Board will leverage

## Board's Report (Contd.)

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 and individual Directors 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 re-appointment 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 performance of Chairman, Non-Independent Directors and Board as a Whole and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board 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 carried on May 21, 2021 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 familiarize 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 and 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 said 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 are within the limits prescribed under the Act, and approved by the Members of the Company where required.

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.

In accordance with 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;

## Board's Report (Contd.)

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

### KEY MANAGERIAL PERSONNEL

KMPs of your Company as on March 31, 2021 are 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 and Compliance Officer

During the year, there is no change in the list of KMPs.

### 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:

- that the Financial Statements for the year ended March 31, 2021 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;
  - 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, 2021 and of the profit of the Company for the year ended on that date;
  - 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;
  - they had prepared the annual accounts on a going concern basis;
- 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
  - 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 maximizes 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 2020-21 is set out in this Annual Report.

The requisite certificate from the Secretarial Auditors confirming compliance of 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 ("POSH") in place in accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the FY 2020-21, consequent to the exit of presiding officer Mrs. Shyamala Jayaraman, Committee composition was revised and Mrs. Vinitha Ramani was appointed as the presiding officer with effect from March 01, 2021 and the required changes were made in POSH policy of the Company.

During the FY 2020-21, there was no complaint received and no complaint pending for disposal as on March 31, 2021. Pursuant to Rule 8(5) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the



## Board's Report (Contd.)

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 110,901 options were exercised in 7 tranches by eligible employees/option grantees of the Company and its Subsidiaries under ESOS 2008, ESOS 2009 Plan A, ESOS 2009 Plan B, 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 2020-21, there has been no change in the Schemes of the Company. 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. Details of Stock Options granted during the year to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director is disclosed in Annexure II to the Board's Report.

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/periodic-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 Controls by means of policies and procedures commensurate with size and nature of operations. The Company's policies, procedures and standards are developed to uphold internal controls across the organization. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized 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 minimization of risk thereof. The policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/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.

### 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/hubfs/investor-relations/ramco-related-party-transaction-policy.pdf> .

## Board's Report (Contd.)

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 notes Financial Statements.

### AUDITORS

#### Statutory Auditor

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

Board on the recommendation of Audit Committee at its Meeting held on June 19, 2020 had approved a Statutory Audit fee of Rs.1,800,000/- (exclusive of applicable taxes and out of pocket expenses) for the FY 2020-21. Details of fees paid to Statutory Auditor is disclosed in Corporate Governance Section of this report.

#### Internal Auditor

Your Board on the recommendation of Audit Committee at its Meeting held on June 19, 2020 had re-appointed M/s. SRSV & Associates, Chartered Accountants, (FRN:015041S), Chennai as the Internal Auditors of the Company and approved the internal audit fees to conduct Internal Audit for the FY 2020-21. The Internal Auditors reports directly to the Audit Committee and make presentations at the Audit Committee Meeting(s) on the Internal Audit Report.

In accordance with Sections 138 and 141 of the Act and relevant Rules prescribed there under, the Company has received certificate from the Internal Auditors to the effect that they are eligible to continue as Internal Auditors.

Your Board on the recommendation of Audit Committee at its Meeting held on May 25, 2021 has re-appointed M/s. SRSV & Associates, Chartered Accountants (FRN:015041S), Chennai as the Internal Auditors of the Company for the FY 2021-22.

#### Secretarial Auditor

Your Board at its Meeting held on June 19, 2020 had re-appointed M/s. S.Krishnamurthy & Co., Company Secretaries, to conduct the Secretarial Audit of the Company for the FY 2020-21.

Your Board at its Meeting held on May 25, 2021 had re-appointed M/s. S.Krishnamurthy & Co., Company Secretaries, to conduct the Secretarial Audit of the Company for the FY 2021-22.

The Company had received required declarations/consents from the Secretarial Auditors confirming that they are not disqualified and eligible to continue 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 and 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 2020-21, 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.14.45 Mn. towards CSR activities during the FY 2020-21 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

## Board's Report (Contd.)

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 organization 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 organization, 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 Shri 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/hubfs/investor-relations/Corporate-Social-Responsibility-Policy.pdf>.

### 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/hubfs/investor-relations/Ramco-Whistle-Blower-Policy.pdf>.

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/hubfs/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 equipment's/ other control measures. Your Company has digitalized 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 organization 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 / Committee 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, 26 and 29 forming part 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.

## Board's Report (Contd.)

### Annual Return:

In accordance with Section 92(3) of the Act, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 for the year ended March 31, 2021 is available in the Company's website at the following weblink: <https://www.ramco.com/investor-relations/investor-information/annual-return/> . and the Annual Return in Form MGT-7 for the said year will be filed with MCA after completion of AGM. MGT-7 for the year ended March 31, 2020 had been filed with MCA and the same is available in the Company's website at the following weblink: [https://www.ramco.com/hubfs/PDF%20Download%20URL/Annual%20Return/Form\\_MGT-7\\_2019-20\\_Revised\\_Signed\\_.pdf](https://www.ramco.com/hubfs/PDF%20Download%20URL/Annual%20Return/Form_MGT-7_2019-20_Revised_Signed_.pdf) .

**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 VII 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, 2021 and the date of signing this report, except the continuance of the Global pandemic COVID-19 and its impact on the operations. Further deliberations on COVID-19 are provided under MDNA and Note Nos. 33 and 31 of Separate (Standalone) and 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 digitization 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 page no.13 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.

For and on Behalf of the Board of Directors  
For **RAMCO SYSTEMS LIMITED**

**P R VENKETRAMA RAJA**  
Chairman

Place : Rajapalayam  
Date : May 25, 2021

## 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:

Name of the Subsidiary	Year	Report- ing cur- rency	Share Capital	Reserves and sur- plus	Total As- sets	Total Liabilities (ex- cluding Share Capital and Reserves and surplus)	In- vest- ments	Turn- over	Profit / (Loss) Before Tax	Provi- sion for Tax	Profit After Tax	Other Compre- hensive Income	Total Compre- hensive Income	Pro- posed dividend	% of share- holding	Exchange Rate	
																used (Rs. per unit of foreign currency)	
																B/S	P&L
Ramco Systems Corporation, USA	2020-21	USD	105.74	1,166.54	1,869.85	597.57	-	1,375.08	472.92	111.45	361.47	(30.05)	331.42	-	98%	73.06	73.75
	2019-20		105.74	835.12	1,634.29	693.43	-	962.31	180.90	(119.48)	300.37	77.89	378.26	-	98%	75.05	70.21
Ramco Systems Ltd., Switzerland	2020-21	CHF	29.33	183.81	230.70	17.56	-	53.42	12.32	0.11	12.21	(2.53)	9.68	-	100%	76.78	79.25
	2019-20		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
Ramco Systems Sdn. Bhd., Malaysia	2020-21	MYR	18.22	(209.62)	430.01	621.41	-	399.41	1.57	-	1.57	(0.99)	0.58	-	100%	17.95	18.08
	2019-20		18.22	(210.20)	381.35	573.33	-	246.13	(131.87)	-	(131.87)	(7.49)	(139.36)	-	100%	17.88	17.23
Ramco Systems Pte. Ltd., Singapore	2020-21	SGD	1,511.75	(1,660.39)	1,310.97	1,459.62	-	605.60	(175.92)	28.90	(204.82)	(0.12)	(204.94)	-	100%	53.92	53.61
	2019-20		1,511.75	(1,455.45)	1,378.09	1,321.79	-	910.22	(85.00)	(27.39)	(57.61)	(7.75)	(65.36)	-	100%	52.41	51.00
RSL Enterprise Solutions (Pty) Ltd., South Africa	2020-21	ZAR	99.02	(59.52)	53.01	13.51	-	108.46	2.92	-	2.92	5.53	8.45	-	100%	4.79	4.42
	2019-20		99.02	(67.97)	46.85	15.80	-	128.48	0.38	-	0.38	(4.22)	(3.84)	-	100%	4.10	4.67
Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	2020-21	CAD	0.43	43.46	69.76	25.87	-	38.08	20.44	5.63	14.81	3.09	17.90	-	98%	57.53	55.12
	2019-20		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
Ramco Systems FZ-LLC, Dubai	2020-21	AED	0.62	584.42	908.71	323.67	-	470.71	34.64	-	34.64	(15.80)	18.84	-	100%	19.50	19.69
	2019-20		0.62	565.59	1,155.56	589.35	-	432.37	63.05	-	63.05	47.91	110.96	-	100%	20.03	18.74
R S L Software Co. Ltd., Sudan	2020-21	SDG	2.08	(0.81)	1.89	0.62	-	10.64	19.41	1.50	17.91	(7.15)	10.76	-	100%	0.19	1.32
	2019-20		2.08	(11.57)	8.53	18.02	-	-	(1.57)	-	(1.57)	0.65	(0.92)	-	100%	1.36	1.52
Ramco Systems Australia Pty Ltd., Australia	2020-21	AUD	795.24	(1,299.78)	486.51	991.05	-	519.81	(42.24)	1.71	(43.95)	(76.49)	(120.44)	-	100%	55.09	52.10
	2019-20		795.24	(1,179.34)	539.07	923.17	-	427.44	(308.31)	-	(308.31)	35.20	(273.11)	-	100%	45.86	47.70
Ramco System Inc., Philippines	2020-21	PHP	17.44	158.87	774.25	597.94	-	580.57	(34.16)	(5.81)	(28.35)	5.55	(22.80)	-	100%	1.52	1.51
	2019-20		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
Ramco Systems (Shanghai) Co. Ltd., China	2020-21	CNY	10.41	(4.02)	81.52	75.13	-	46.39	(11.62)	(1.37)	(10.25)	0.04	(10.21)	-	100%	11.08	10.78
	2019-20		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

**Part A - Subsidiaries:**

Name of the Subsidiary	Year	Report- ing cur- rency	Share Capital	Reserves and sur- plus	Total As- sets	Total Liabilities (ex- cluding Share Capital and Reserves and surplus)	In- vest- ments	Turn- over	Profit / (Loss) Before Tax	Provi- sion for Tax	Profit After Tax	Other Compre- hensive Income	Total Compre- hensive Income	Pro- posed dividend	% of share- holding	Exchange Rate		
																used (Rs. per unit of foreign currency)	B/S P&L	
Ramco System Vietnam Company Limited, Vietnam	2020-21	VND	16.44	(22.14)	3.62	9.32	-	2.35	(8.95)	-	(8.95)	(0.02)	(8.97)	-	-	-	0.0032	0.0032
	2019-20		16.44	(13.17)	7.80	4.53	-	0.36	(11.91)	-	(11.91)	0.69	(11.22)	-	-	100%	0.0032	0.0031
PT Ramco Systems Indonesia, Indonesia	2020-21	IDR	16.28	(61.39)	24.68	69.79	-	13.99	(24.80)	-	(24.80)	(1.52)	(26.32)	-	-	-	0.0050	0.0051
	2019-20		16.28	(35.07)	32.48	51.27	-	36.00	(24.44)	-	(24.44)	0.79	(23.65)	-	-	100%	0.0046	0.0050
Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)	2020-21	MOP	-	(0.50)	-	0.50	-	-	(0.02)	-	(0.02)	0.01	(0.01)	-	-	-	9.1285	9.2584
	2019-20		-	(0.49)	-	0.49	-	-	(0.49)	-	(0.49)	-	-	(0.49)	-	100%	9.4917	9.4917

**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 28, 2021		Considered in consolidation	Not considered in consolidation
		No. of Shares	Amount of investment	Extent of Holding %			Networth attributable to shareholding	Profit / Loss for the year		
CityWorks (Pty.) Ltd., South Africa	February 28, 2019	600	0.003	30%	By virtue of Share Holding	Not Applicable	15.35	1.18	0.35	0.82

As per our report annexed

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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

**K SRINIVASAN**  
Partner  
Membership No.: 021510  
Tiruchirappalli  
Date : May 25, 2021

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

## DISCLOSURE MADE UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 DETAILS OF EMPLOYEE STOCK OPTION PLANS / SCHEMES

The Company had instituted various Employee Stock Option Plans / Schemes (ESOP / ESOS) for the benefit of employees:

### I. Expired Schemes

- (A) Employee Stock Option Plan, 2000 (ESOP 2000)
- (B) Employee Stock Option Scheme, 2003 (ESOS 2003)
- (C) Employee Stock Option Scheme, 2004 (ESOS 2004)

### II. Live Schemes

- (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)

#### (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, 2021:

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 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
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, 2021:

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:
- 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.
  - Broad basing of the coverage of the scheme to the employees of the Company and its Subsidiaries at all levels as provided in other schemes instead of the scheme being applicable only to the senior level employees.



- (b) Amendments approved at the 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, 2021:**

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

**Expiry of ESOP 2000, ESOS 2003 & ESOS 2004 Schemes:**

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.

**(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.

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 FY 2020-21”, given at the end of this Annexure.

**(E) Employee Stock Option Scheme, 2009 – Plan A (ESOS 2009 – Plan A) and 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 & Non-Independent 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 & Non-Independent 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.

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 & Non-Independent 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 & Non-Independent 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 2020-21”, 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 & Non-Independent 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 & Non-Independent 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 & Non-Independent 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 2020-21”, 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 & Non-Independent 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 & Non-Independent 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

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 2020-21”, 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 & Non-Independent 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.

During the FY 2020-21, the Nomination and Remuneration Committee had granted 25,000 Stock Options @ Rs.10 each on September 18, 2020 to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director and 20,000 Stock Options to Other Employees on September 18, 2020 and December 18, 2020 at various exercise prices viz., 5,000 stock options @ Rs.10 each, 5,000 stock options @ Rs.181 each, 2,500 stock options @ Rs.361 each, 5,000 stock options @ Rs.290 each and 2,500 stock options @ Rs.580 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 2020-21,” given at the end of this Annexure.

**Table 1 – Option movement during the FY 2020-21:**

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	98,980	113,583	153,169	413,945	273,210	254.35
2.	Number of options granted during the year	-	-	-	-	45,000	111.28
3.	Number of options forfeited / lapsed during the year	420	7,099	3,148	21,185	42,494	229.79
4.	Number of Options vested during the year	-	-	-	-	41,608	N.A.
5.	Number of options exercised during the year	22,134	2,004	23,916	38,705	24,142	173.66
6.	Number of shares arising as a result of exercise of options	22,134	2,004	23,916	38,705	24,142	N.A.
7.	Money realized by exercise of options (Rs.), if scheme is implemented directly by the Company	3,272,583	579,360	5,421,284	6,291,283	3,694,378	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	76,426	104,480	126,105	354,055	251,574	259.10
10.	No. of options exercisable at the end of the year	76,426	104,480	126,105	354,055	197,593	267.77
11.	Method of calculation of employee compensation cost	Fair Value, using Black Scholes Merton model					
12.	Fair value of the options (net off reversals due to resignation of Option Grantees) for the FY 2020-21 (using Black Scholes Merton model)	Rs.(4.14) Mln.					

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013	ESOS 2014	Weighted Avg. Exercise prices (Rs.)
13.	Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at Sl. No. 11 above and the employee cost that shall have been recognized if fair value of options computed at Sl. No. 12 above is used	Not Applicable					
14.	The impact of the difference mentioned in Sl. No. 13 above on profits and on EPS of the Company	Not Applicable					
15.	Weighted Average exercise prices and Weighted Average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per option is Rs.259.10 Weighted average fair value per option is Rs.283.17					
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, 2021 was Rs.483.08					
17.	Range of Exercise Prices & Weighted Average remaining contractual life	<b>Sl. No.</b>	<b>Particulars</b>	<b>As at March 31, 2021</b>			
				<b>No. of Options Outstanding</b>	<b>Range of Exercise Prices (Rs.)</b>	<b>Weighted Average remaining contractual life (years)</b>	
		1.	ESOS 2008	76,426	51 to 230	4.77	
		2.	ESOS 2009 - Plan A	104,480	10 to 356	5.45	
		3.	ESOS 2009 - Plan B	126,105	10 to 356	4.80	
		4.	ESOS 2013	354,055	10 to 696	6.49	
5.	ESOS 2014	251,574	10 to 1066	9.85			

**Assumptions used during the year to estimate the fair value of options are given below:**

i)	Weighted Average Market price	Rs.392.16
ii)	Weighted Average Exercise Price	Rs.259.10
iii)	Weighted Average Stock Volatility	13.86%
iv)	Weighted Average Risk Free Interest Rate (%)	7.75%
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 2020-21 (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. A V Dharmakrishnan Non-Executive & Non-Independent Director: 25,000 Options @ Rs.10.00 each Mr. Rajavale Shanmugam Director, SBUERP: 10,000 Options (2,500 @ Rs.10.00 each, 5,000 @ Rs.181.00 each and 2,500 @ Rs. 361.00 each) Mr. Anbudurai Thangaraj Associated Director: 10,000 Options (2,500 @ Rs.10.00 each, 5,000 @ Rs.290.00 each and 2,500 @ Rs.580.00 each)
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

The above Disclosure required to be made under SEBI (Share Based Employee Benefits) Regulations, 2014 is also available in the Company's website under other compliances at the following weblink: <https://www.ramco.com/periodic-compliances> .

For and on Behalf of the Board of Directors  
For **RAMCO SYSTEMS LIMITED**

Place : Rajapalayam  
Date : May 25, 2021

**P R VENKETRAMA RAJA**  
Chairman

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

(i) & (ii) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Whole Time Director (“WTD”) / Manager, Directors, Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Company Secretary (“CS”) during the FY 2020-21:

Name of Director / KMP	Category / Designation	Remuneration of Director / KMP for FY 2020-21 (Rs. Mln.)	% Increase / (Decrease) in Remuneration in the FY 2020-21	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%	0.23:1
Mr. M M Venkatachalam	Non-Executive & Independent Director	0.27	0.00%	0.52:1
Mr. A V Dharmakrishnan	Non-Executive & Non-Independent Director	0.24	0.00%	0.46:1
Mr. R S Agarwal	Non-Executive & Independent Director	0.27	0.00%	0.52:1
Mrs. Soundara Kumar	Non-Executive & Independent Director	0.27	0.00%	0.52:1
Mr. Sankar Krishnan	Non-Executive & Non-Independent Director	0.24	0.00%	0.46:1
Justice Mr. P P S Janarthana Raja (Retd.)	Non-Executive & Independent Director	0.27	0.00%	0.52:1
Mr. P V Abinav Ramasubramaniam Raja	WTD	1.43	0.00%	2.75:1
Mr. R Ravi Kula Chandran	CFO	8.80	17.27%	N.A.
Mr. Vijaya Raghavan N E (w.e.f. February 14, 2020)	CS	1.57	-	N.A.

Note:

- Mr. Vijaya Raghavan NE, previous year remuneration is only for 1.5 months period, whereas the current year remuneration is for full year and hence not Comparable in absolute terms and hence there is no increase.
  - Mr. Virender Aggarwal, CEO is an employee of Ramco Systems Pte. Ltd., Singapore, a subsidiary of the Company, where his remuneration for FY 2020-21 was USD 1.17 Mln. (Rs.85.99 Mln.) and the percentage decrease in FY 2020-21 compared to FY 2019-20 was 2.13%. 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.520,259 and the percentage increase in the median remuneration was 10.03%.
- (iv) There were 1,693 permanent employees on the rolls of Company and 1,939 permanent employees including those in the subsidiaries as on March 31, 2021.
- (v) Average percentage increase in salaries of employees other than the managerial personnel (i.e. WTD) in the FY 2020-21 was 5.90% (4.96%, 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 2020-21.
- (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) Top 10 Employees in terms of remuneration drawn during the year or employees employed throughout the FY 2020-21 and who were in receipt of remuneration, in the aggregate, not less than Rs.10.20 Mln. per annum:

Name	Designation	Remuneration including retinals (Rs. Mln.)	Qualifications and Experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company	No of shares held and % of holding
Mr. Naval Sabharwal	Vice President – Logistics - INDOP	11.05	B.A., Masters SCM (36)	December 07, 2015	59	Hexaware Technologies Limited	-
Mr. Raghvendra Tripathi	Senior Vice President - INDOP	10.74	B.Tech., MBA (23)	June 25, 2013	50	Satyam Computer Services Limited	11,723 0.04%
Mr. Sam Jacob	Senior Vice President & SBU Head – AAD	9.80	B.Tech., MBA (25)	June 02, 1997	51	Usha Ispat Limited	8,392 0.03%
Mr. Viswanathan K A	Vice President - BPOO	9.77	B.Sc. (28)	May 21, 2007	48	Talent Maximus India Private Limited	8,958 0.03%
Mr. R Ravi Kula Chandran	CFO	8.80	B.Com., CA (34)	February 01, 2002	59	General Signal India Private Limited	42,455 0.14%
Mrs. Shanthi Krishna	Associate Vice President – Product Management	8.28	B.Com., CA (21)	June 01, 2017	46	Intimate Fashions Private Limited	1,986 0.01%
Mr. Ranganathan J	Senior Vice President – Quality Head	7.61	Master of Management Studies., ICWA., ACS (32)	September 25, 1997	54	Whirlpool India Limited	-
Mr. Prince Sudersanam E	Vice President – ERP- Product Development	7.56	B.E., (33)	March 01, 1999	55	Zeneca ICI Agrochemicals Limited	-
Mr. Balaji R	Vice President & Head – ERP Pre Sales	7.53	B.E., (27)	November 07, 1994	51	Bajaj Auto Limited	9,800 0.03%
Mr. Rohit Mathur	Senior Vice President & SBU Head – HRP	7.51	B.E., MBA (19)	October 16, 2012	45	Capgemini India Private Limited	6,139 0.02%

(ii) Employed for a part of the FY 2020-21 and was in receipt of remuneration, at a rate which, in the aggregate, not less than Rs.0.85 Mln. per month:

Name	Designation	Remuneration including retires (Rs. Mln.)	Qualifications and Experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company
Mrs. Shyamala Jayaraman	Senior Vice President - ERP	9.97	B.E. (29)	February 14, 1991	52	PSI Data Systems Limited

NOTES:

1. All appointments are contractual.
2. No employee who was in receipt of remuneration in excess of that drawn by Managing Director, holds two percent or more of the equity shares of the Company by himself or along with his spouse and dependent children.
3. None of the employees mentioned above is related to any Director of the Company except 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 Venketrana Raja.
4. Remuneration includes Salary, Performance Linked Incentives / Pay, Allowances, contribution to Provident Fund, Gratuity, Superannuation Fund, National Pension System, Leave Encashment and taxable value of Perquisites.

For and on Behalf of the Board of Directors  
For **RAMCO SYSTEMS LIMITED**

**P R VENKETRAMA RAJA**  
Chairman

Place : Rajapalayam  
Date : May 25, 2021

## FORM NO. MR-3

**Secretarial Audit Report for the financial year ended March 31, 2021**

*[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,

**RAMCOSYSTEMSLIMITED**[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 April 1, 2020 to March 31, 2021** ('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 physical / electronic 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 March 31, 2021 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 authorized representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the **financial year ended on March 31, 2021**, 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 March 31, 2021 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 complied with the following:
  - (i) The Companies Act, 2013 and the rules made thereunder (the Act);
  - (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 (SAST);
  - (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 Board's Report (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 March 31, 2021, 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.
- (c) The following change 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 on ShriAVDharmakrishnan (DIN: 00693181) as a director upon retirement by rotation at the 23<sup>rd</sup> Annual General Meeting held on September 7, 2020.

### 2.2 **Board meetings**

- (a) Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings; and Notice of Board meetings were sent at least 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.

### 4. **Specific events/ actions**

We further report that:

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:

#### **Allotment of stock options and Equity shares under Employee Stock Option Scheme (ESOS)**

- (i) An aggregate of 1,10,901 Equity Shares of Rs. 10/- each were allotted for cash at the applicable exercise prices to eligible employees of the Company under various Employee Stock Option Schemes. Consequent to this, the Equity shares in the paid-up capital of the Company stands increased from 3,06,03,181 to 3,07,14,082 Equity shares of Rs.10/- each.
- (ii) An aggregate of 45,000 stock options were granted to eligible employees / option grantees under ESOS 2014, at various exercise prices, including 25,000 stock options at Rs.10/- per option, to Shri A V Dharmakrishnan, Non-Executive Non-Independent Director of the Company. The said options carry the right to apply for equivalent number of Equity shares of the Company, of face value of Rs.10/- each.

For **S. KRISHNAMURTHY & CO.**,  
Company Secretaries  
(Peer Review Certificate No. 739/2020)

**K SRIRAM**

Partner

Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312C000369884

Place : Chennai  
Date : 25th May 2021

## ANNEXURE – 1 TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

The Members,

**RAMCOSYSTEMSLIMITED**[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 March 31, 2021 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 taken an overall view based on the compliance process and practices followed by the Company, and considered:
  - (a) 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.

- (b) Compliance related actions taken by the Company after March 31, 2021 but before the issue of this report.
  - (c) Notifications / Circulars / Guidelines issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, and Guidelines issued by the Institute of Company Secretaries of India, in respect of various compliance related events as stated therein.
4. 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.
  5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
  6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
  7. 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  
(Peer Review Certificate No. 739/2020)

**K SRIRAM**  
Partner

Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312C000369884

Place : Chennai  
Date : 25th May 2021

## ANNUAL REPORT ON CSR ACTIVITIES

- Brief outline on CSR Policy of the Company.

The objective of the CSR Policy is to:

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To generate, through its CSR initiatives, a community goodwill for Ramco Systems Limited (hereinafter referred to as "RSL") and help reinforce a positive & socially responsible image of RSL as a corporate entity.

- Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. P R Venketrama Raja	Chairman/Non-Executive & Non-Independent Director	1	1
2.	Mr. M M Venkatachalam	Member/Non-Executive & Independent Director	1	1
3.	Mr. A V Dharmakrishnan	Member/Non-Executive & Non-Independent Director	1	1

- Provide the weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

**Composition of CSR committee:**

<https://www.ramco.com/investors/corporate-governance>

**CSR Policy:**

<https://www.ramco.com/hubfs/investor-relations/Corporate-Social-Responsibility-Policy.pdf>

**CSR projects:**

<https://www.ramco.com/periodic-compliances>

Your Company is one among the leading software product provider in the Information, Communications & Technology industry. In accordance with the CSR vision of the Company and in alignment with the Areas of initiatives specified in the policy, the Company had undertaken social investment, by promoting education and special education.

The Company undertook the CSR project and its implementation through Shri Abhinava Vidyatheertha Seva Trust.

- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

- Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			

- Average net profit of the Company as per Section 135(5) (2017-18 to 2019-20):Rs.722.29 Mln.
- Two percent of average net profit of the Company as per Section 135(5): Rs.14.45 Mln.
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : NIL
  - Amount required to be set off for the financial year, if any: NIL
  - Total CSR obligation for the financial year (7a+7b-7c). : Rs.14.45 Mln.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
Rs.14.45 Mln.	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year:

1.	SI. No.	NIL
2.	Name of the Project	
3.	Item from the list of activities in Schedule VII to the Act	
4.	Local area (Yes/No)	
5.	Location of the project	
	State	
	District	
6.	Project duration	
7.	Amount allocated for the project (in Rs.)	
8.	Amount spent in the current financial Year (in Rs.)	
9.	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	
10.	Mode of Implementation - Direct (Yes/No)	
11.	Mode of Implementation - Through Implementing Agency	
	Name	
	CSR Registration number	

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

1.	SI. No.	1
2.	Name of the Project	Education
3.	Item from the list of activities in schedule VII to the Act.	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
4.	Local area (Yes/ No)	Yes
5.	Location of the project	In and around the Registered Office and Corporate Office
	State	Tamil Nadu
	District	Virudhu Nagar /Tamil Nadu
6.	Amount spent for the project (in Rs.)	14,450,000/-
7.	Mode of implementation - Direct (Yes/ No)	No
8.	Mode of implementation - Through implementing agency	Through Implementing Agency
	Name	Shri Abhinava Vidyatheertha Seva Trust
	CSR registration number	CSR00002207

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil



(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs.14,450,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	14,450,000
(ii)	Total amount spent for the financial year	14,450,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

-1	-2	-3	-4	-5	-6	-7	-8	-9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs)	Cumulative amount spent at the end of reporting financial year. (in Rs.)	Status of the project Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s) : Nil

(b) Amount of CSR spent for creation or acquisition of capital asset : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). N.A.

**P R VENKETRAMA RAJA**  
(Chairman CSR Committee)  
Place: Rajapalayam

**M M VENKATACHALAM**  
(Director)  
Place: Chennai

Date: May 25, 2021

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

**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:**

<ul style="list-style-type: none"> <li>a. Name(s) of the related party and nature of relationship</li> <li>b. Nature of contracts/arrangements/transactions</li> <li>c. Duration of the contracts/arrangements/transactions</li> <li>d. Salient terms of the contracts or arrangements or transactions including the value, if any</li> <li>e. Justification for entering into such contracts or arrangements or transactions</li> <li>f. Date (s) of approval by the Board</li> <li>g. Amount paid as advances, if any</li> <li>h. Date on which the resolution was passed in General Meeting as required under first proviso to Section 188</li> </ul>	<p>Not applicable since there were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2021 which were not at arm's length basis.</p>
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**2. Details of material contracts or arrangement or transactions at arm's length basis:**

<ul style="list-style-type: none"> <li>a. Name(s) of the related party and nature of relationship</li> <li>b. Nature of contracts/arrangements/transactions</li> <li>c. Duration of the contracts/arrangements/transactions</li> <li>d. Salient terms of the contracts or arrangements or transactions including the value, if any</li> <li>e. Date(s) of approval by the Board, if any</li> <li>f. Amount paid as advances, if any</li> </ul>	<p>Not applicable since there were no material contracts or arrangements or transactions entered into during the financial year ended March 31, 2021.</p>
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All related party transactions are in the ordinary course of business and on arm's length basis and are approved by the Audit Committee of the Company.

For and on Behalf of the Board of Directors  
For **RAMCO SYSTEMS LIMITED**

**P R VENKETRAMA RAJA**  
Chairman

Place : Rajapalayam  
Date : May 25, 2021

**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, 2021]

**(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. Details about energy / water consumption are disclosed in the page nos. 27 & 95.
- (ii) Steps taken by the Company for utilising the alternate sources of energy:- Nil - We have plan for the upcoming years.
- (iii) Capital investment on energy conservation equipment's:- Nil

**(B) TECHNOLOGY ABSORPTION:**

At Ramco we design, market and deliver innovative, industry-leading technology solutions that protect and add value for our customers wherever they operate. Innovation remains our driving force that differentiates us. Aligned with the key pillars of improving customer experience, driving process efficiency, and enabling intelligent automation, our R&D has been revolving around deriving real-time insights using artificial intelligence (AI) and machine learning (ML) and embedding user personalization and optimization thus forming the foundation of digital transformation.

**1. Efforts made towards technology absorption:**

- **NEBULA – The new tech platform**  
At Ramco, the FY 2020-21 witnessed the emergence of NEBULA, Ramco's new technology platform for building and hosting ReactJS application driven by REST based APIs. Developed on a lean/ mean architecture, the platform enables responsive user interface for seamless rendering across forms, devices and browsers.

- **Artificial Intelligence and Machine Learning**

Infused with Artificial Intelligence (AI) and Machine Learning (ML), the application analyzes data, questions a user and recommends optimum solutions to implement, helping them to think, predict and prompt. The AI engine will predict any anomaly thus averting anything that will harm the business operations. Widely accepted across various industries, Ramco has pioneered the use of AI/ML to address payroll challenges around data hygiene, payroll fraud & leakage.

- **UPE (Universal Personalization Engine) and UFE (Universal Fetch Engine)**

Coupled with AI/ML based intelligent recommendations and anomaly detection, Ramco's Universal Personalization Engine (UPE) has been aiding in simple defaulting and auto filling of data fields, leveraging historical data with the user's context.

The UFE is yet another flexible model driven engine. Here the underlying database tables or logic or field names are configured, and data retrieval is abstracted and optimized for reference by multiple calling entities. This highly optimizes the data fetching process, thereby resulting in easy and efficient enquiries and data retrievals.

- **API Stack**

At Ramco, focused time and effort has been invested in building a pool of APIs for core functions of a business, in terms of transaction generation and enquiries. These APIs can be consumed by any third-party application to integrate with Ramco's suite of offerings. These are also consumed internally, for the development of NEBULA based applications, mobile applications, or virtual assistants.

- **Data Visualization**

As a part of improved data visualization, reporting through Power BI has gained strong foothold during the year. In terms of configurable reporting, dashboards and drilldowns, the tool

is being widely used to build a good repository of standard dashboards, catering to various roles and business functions.

- **Alerts, Notifications and Actions (ANA)**

Ramco empowers its application users with an integrated mobile experience that provides instant notifications and helps them take appropriate action anywhere, anytime. These are real-time push notifications that a user receives on his mobile device. It enables the users to manage their daily business functions without having to navigate multiple screens and several logins. They will have to just swipe on the mobile screen and click on the desired option.

## 2. Benefits derived:

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

- **NEBULA:** By leveraging the platform, the development teams at Ramco have started building new and NextGen interface, focusing on best UX, thereby reusing the existing application assets and logic. This has given a complete facelift to the current solutions.
- **Zero UI:** Promotes agility and enables real-time, at-source data capture; which is democratically & instantly available across organization.
- **Automation:** Beyond automating repetitive tasks, the focus of Ramco's R&D efforts have been to embed intelligence in enabling automation in decision-making. Automation of entries extended through APIs has been resulting in a hassle-free collection entry and management.
- **ANA:** Alert-Notification-Action has helped users move business towards proactive mode of operation.
- **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.

- **Universal Personalization Engine (UPE):** Could result in up to 80% lesser data entry by users. The Company has been witnessing wide acceptance for the UPE, by Application teams, to manage data heavy interfaces.

## 3. 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

## 4. Expenditure on R&D (Refer Note 5 to R&D Accounts)

(Rs. Mln.)

Particulars	FY 2020-21	FY 2019-20
Capital	1.74	3.47
Recurring	597.54	474.76
<b>Total</b>	<b>599.28</b>	<b>478.23</b>
Total R&D expenditure as a percentage of total revenue	17.37 %	15.64%

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. Mln.)

Particulars	FY 2020-21	FY 2019-20
Foreign Exchange Earned in terms of actual inflows	2,120.13	1,873.33
Foreign Exchange Outgo in terms of actual outflows	306.61	438.99

For and on Behalf of the Board of Directors  
For **RAMCO SYSTEMS LIMITED**

**P R VENKETRAMA RAJA**  
Chairman

Place : Rajapalayam  
Date : May 25, 2021

# 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.

Your Company has complied with the regulatory requirements and changes / amendments thereto, stipulated by the regulatory authorities for more transparent and better Corporate Governance 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 organization. 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 of Corporate Governance and in particular those 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.

## BOARD OF DIRECTORS

Your Company has a competent and 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 Judgment 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 Judgment 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") and 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 and General Meeting held during the year and their shareholding in the Company as on March 31, 2021 are as follows:

## Corporate Governance Report (Contd.)

Name of the Director/DIN	Age	Designation/ Position	Attendance		No. of equity shares held and % of holding
			Board Meeting held/attended	Last (23rd) AGM	
Mr. P R Venketrama Raja DIN:00331406	62	Chairman / Non-Executive & Non-Independent Promoter Director	4/4	Yes	3,353,366 (10.92 %)
Mr. P V Abinav Ramasubramaniam Raja DIN:07273249	27	Whole Time Director/ Executive & Non-Independent Director	4/4	Yes	110,332 (0.36 %)
Mr. M M Venkatachalam DIN:00152619	62	Non-Executive & Independent Director	4/4	Yes	-
Mr. A V Dharmakrishnan DIN:00693181	64	Non-Executive & Non-Independent Director	4/4	Yes	170,692 (0.56 %)
Mr. R S Agarwal DIN:00012594	78	Non-Executive & Independent Director	4/4	Yes	-
Mrs. Soundara Kumar DIN:01974515	66	Non-Executive & Independent Director	4/4	Yes	-
Mr. Sankar Krishnan DIN:01597033	53	Non-Executive & Non-Independent Director	4/4	Yes	-
Justice Mr. P P S Janarthana Raja (Retd.) DIN:06702871	70	Non-Executive & Independent Director	4/4	Yes	-

The profile of Directors can be found at our website in the weblink <https://www.ramco.com/investors/corporate-governance> .

### 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 is 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
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

## Corporate Governance Report (Contd.)

### Directors' Positions

In accordance with 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 Seven (7) 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, 2021 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	Chair-person	Member	Chair-person	Company	Category
Mr. P R Venketrama Raja	8	7 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
					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	6	1 out of 6	4	2 out of 4	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
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	6	-	5	1 out of 4	Rajapalayam Mills Limited	Non-Executive & Independent
					Tamilnadu Newsprint & Papers Limited	Non-Executive & Independent
					Shanthy Gears Limited	Non-Executive & Independent
					Carborundum Universal Limited	Non-Executive & Independent
					Bank of Baroda	Non-Executive & Independent
Mr. Sankar Krishnan	1	-	1	-	Nil	Nil
Justice Mr. PPS Janarthana Raja (Retd.)	3	-	3	2 out of 3	Rajapalayam Mills Limited	Non-Executive & Independent
					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.

## Corporate Governance Report (Contd.)

### 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 & Familiarization 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, Section 149(6) of the Act and are independent of the management.

During the year, there were no appointment/re-appointment of Director except Mr. A V Dharmakrishnan (DIN:00693181), Director who retired by rotation and got re-appointed. The Company had issued formal letters of appointment/re-appointment to its Independent Directors at the time of their appointment/ re-appointment. The terms and conditions of draft appointment letter are available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/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 and Members of the Management on February 03, 2021 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.

Familiarization Programme for Independent Directors is to enable them to familiarize themselves with the Company, its Management and Operations. Not only Independent Directors, your Company continues to familiarize 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 Familiarization programs imparted to Directors is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/investor-relations/DIRECTORS-FAMILIARISATION-PROGRAMME.pdf>

### Directors' Tenure

The tenure of the Directors is in accordance with the provisions of the Act and 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

- 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.
- The service contracts, notice period and severance fees are not applicable to Non-Executive and/or Independent Directors.



## Corporate Governance Report (Contd.)

### MEETINGS OF THE BOARD

The Board met four times during the FY 2020-21 viz., June 19, 2020, August 08, 2020, November 03, 2020 and February 03, 2021. The Company held at least one Board Meeting in every three months. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days or such other period as stipulated under the Act and SEBI LODR. Accordingly, the Board Meeting, amongst others, to consider Q4 financial results of FY 2019-20 was held on June 19, 2020, before the extended timeline of June 30, 2020, prescribed by SEBI. 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 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 is 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. Updates on subsidiaries shall be placed before the Board on a quarterly basis. The Audit Committee of the Board reviews periodically the Financial Statements/ other allied matters of the subsidiaries.

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 is decided in advance and 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 depending on the convenience. Considering the COVID-19 pandemic scenario, the Meetings during the year were held mainly through VC.

### 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 the FY 2020-21 on June 19, 2020, August 08, 2020, November 03, 2020 and February 03, 2021. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days or such other period as stipulated under the Act and SEBI LODR. Accordingly, the Audit Committee Meeting, amongst others, to consider Q4 financial results of FY 2019-20 was held on June 19, 2020, before the extended timeline of June 30, 2020, prescribed by SEBI. The necessary

## Corporate Governance Report (Contd.)

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	4
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	4	4
Mr. Sankar Krishnan	Member, Non-Executive & Non-Independent Director	4	4
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

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.

The representatives of the Secretarial Auditor are invited to attend the meeting of the Audit Committee/Board when their reports are tabled for discussion.

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 September 07, 2020.

### 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 five times during the FY 2020-21 on June 18, 2020, September 21, 2020, October 15, 2020, February 03, 2021 and March 30, 2021. The necessary quorum was present in all 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	5	5
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	5	5
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	5	5
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	5	5

The Chief Financial Officer is an invitee to all Meetings of the Stakeholders Relationship Committee. The Company Secretary is the Secretary to the Committee.

During the year, no complaints from any Member were received. As on March 31, 2021, 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.

## Corporate Governance Report (Contd.)

Mr. P R Venketrama Raja, Chairman of the Stakeholders Relationship Committee was present at the last AGM held on September 07, 2020.

### 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 Board of Directors have approved a Nomination and Remuneration Policy for the Company. The said Policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/investor-relations/ramco-nomination-and-remuneration-policy.pdf>.

The Committee met three times during the FY 2020-21 on June 19, 2020, September 18, 2020 and December 18, 2020. The necessary quorum was present in all the three 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	3	2
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	3	3
Mr. Sankar Krishnan	Member, Non-Executive & Non-Independent Director	3	3
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	3	3

The Committee also administers the Company's Employees Stock Option Scheme. No options were exercisable by any Non-Executive Directors. The details of shares held by Directors of the Company as on March 31, 2021 are given in this report in page no. 66.

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 September 07, 2020.

### 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 respective Independent Director.

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.

## Corporate Governance Report (Contd.)

(i) Remuneration paid to Non-Executive Directors during the FY 2020-21 are as follows:

Name of the Director	Board Meeting	Committee Meeting	In Rs.
			Total
Mr. P R Venketrama Raja	120,000	-	120,000
Mr. A V Dharmakrishnan	120,000	120,000	240,000
Mr. M M Venkatachalam	120,000	150,000	270,000
Mr. R S Agarwal	120,000	150,000	270,000
Mrs. Soundara Kumar	120,000	150,000	270,000
Mr. Sankar Krishnan	120,000	120,000	240,000
Justice Mr. P P S Janarthana Raja (Retd.)	120,000	150,000	270,000

(ii) Remuneration paid to Executive Director during the FY 2020-21 are as follows:

Particulars of Remuneration	Name of Manager / Whole Time Director		In Rs.
	Mr. P V Abinav Ramasubramaniam Raja		
Salary			1,080,000
Retirement Benefits			229,020
Bonuses			-
Stock Options			-
Performance Linked Incentives			-
Sitting Fees			120,000
<b>Total</b>			<b>1,429,020</b>

(iii) Stock options granted to Non-Executive & Non-Independent Director

On September 18, 2020 - 25,000 stock options were granted to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director at an exercise price of Rs.10 per equity share – as per details mentioned in page no. 49.

The details of remuneration paid to Directors and Key Managerial Personnel are given in Form MGT-9, which has been placed in the website of the Company and the weblink for the same has been disclosed in 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.

### 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 one time during the FY 2020-21 on June 19, 2020. The necessary quorum was present in the Meeting. The composition of Corporate Social Responsibility Committee, Meeting 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	1	1
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	1	1
Mr. M M Venkatachalam	Member, Non-Executive & Independent Director	1	1

The Chief Financial Officer is an invitee to the Meeting 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/hubfs/investor-relations/Corporate-Social-Responsibility-Policy.pdf>.

Mr. P R Venketrama Raja, Chairman of the Corporate Social Responsibility Committee was present at the last AGM held on September 07, 2020.

## Corporate Governance Report (Contd.)

### 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 seven times during the FY 2020-21 on May 25, 2020, August 08, 2020, September 24, 2020, November 16, 2020, December 18, 2020, February 03, 2021 and March 19, 2021. 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	7	5
Mr. P R Venketrama Raja	Member, Non-Executive & Non-Independent Promoter Director	7	7
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	7	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, 110,901 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, Member, Non-Executive & Non-Independent Director and Mr. P V Abinav Ramasubramaniam Raja, Member, Whole Time Director/Executive & Non-Independent Director. During the Year, no Meetings were held.

## GENERAL BODY 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
September 07, 2020	3:00 p.m.	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	No Special Resolution was 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.

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.

## Corporate Governance Report (Contd.)

### Postal Ballot

No special resolution was passed through postal ballot during the FY 2020-21. None of the business proposed to be transacted in the ensuing AGM 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/financial-results> and full results are provided in <https://www.ramco.com/investor-relations/disclosure-of-events/announcements>.

### Annual Report

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

### 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](http://www.ramco.com). An analysis of the various means of dissemination of information during the year under review are produced below:

Means of Communication	Frequency
Press/Media Release	33 times
Earnings Call/Investors Meet	3 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 Limited (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 posts of the Chairman, Whole Time Director and CEO of the Company are held by separate persons.
- Reporting of Internal Auditor  
The Internal Auditor of the Company reports directly to the Audit Committee.
- Audit Opinion  
The Company is already in the regime of Financial Statements with unmodified opinion.

## Corporate Governance Report (Contd.)

### MEMBERS INFORMATION

Corporate Identification Number	L72300TN1997PLC037550
Registration Number	18-37550 – Registered in the state of Tamil Nadu
Company Secretary & Compliance Officer	Mr. 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 Limited, 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 2021-22 have been paid to the BSE and NSE.
Annual Custody Fee and Annual Issuer Fee	Custodial Fee/ Issuer Fee for the FY 2021-22 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 12, 2021 to August 19, 2021 (both days inclusive)
AGM 2021	August 19, 2021 at 3.00 p.m. through Video Conference / Other Audio Visual Means
AGM 2022	Tentatively in July/August, 2022
Financial Reporting FY 2021-22	Tentatively
June 30	between end of July 2021 & August 14, 2021
September 30	between end October 2021 & November 14, 2021
December 31	between end of January 2022 & February 14, 2022
March 31	between end of April 2022 & May 2022
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 <sup>rd</sup> 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

## Corporate Governance Report (Contd.)

### Market Price Data

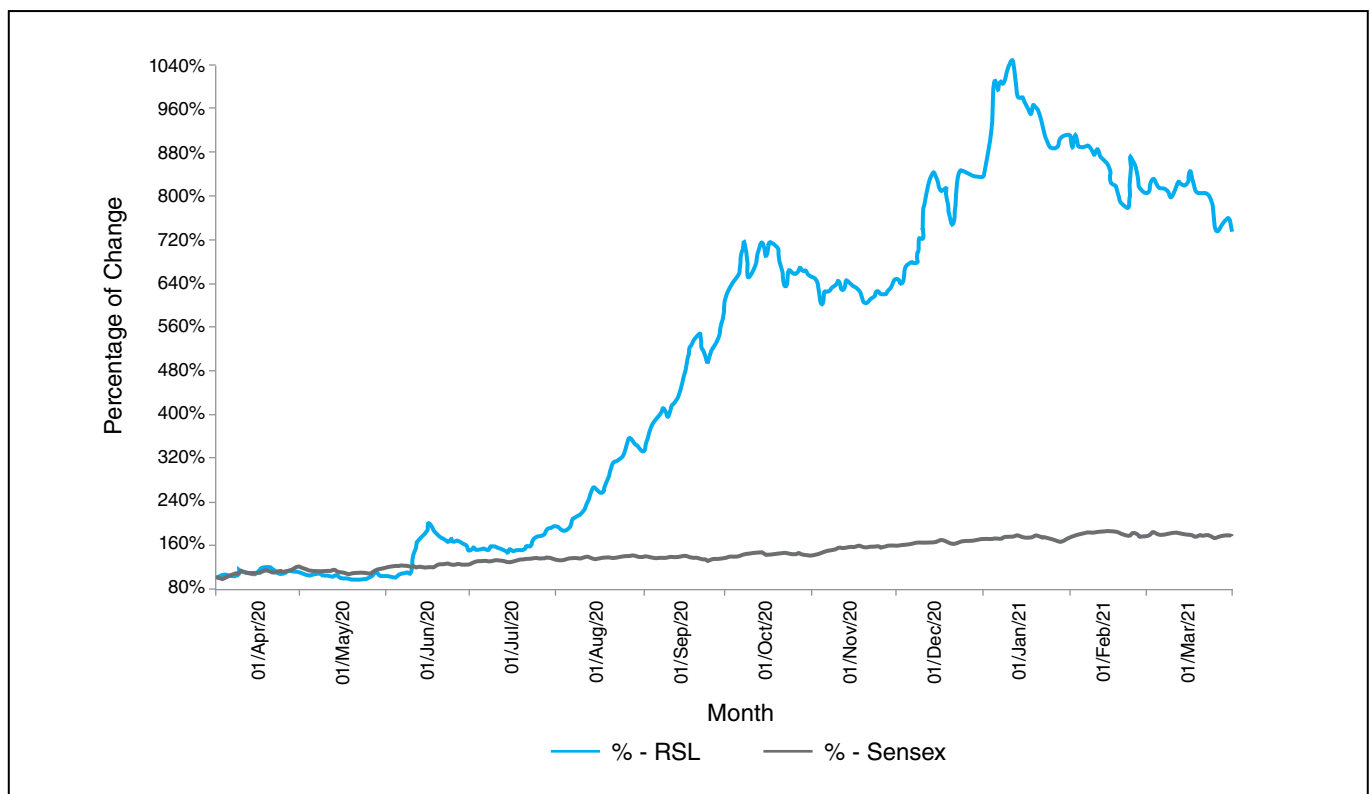
The Company's monthly high and low share price data as well as the total turnover during each month in the FY 2020-21 on the BSE and NSE are as mentioned below:

Month	BSE			BSE Sensex		NSE			NSE Nifty	
	Share Price (Rs.)		Volume Traded	High	Low	Share Price (Rs.)		Volume Traded	High	Low
	High	Low				High	Low			
Apr-20	93.50	70.00	50,574	33,887.25	27,500.79	89.40	70.20	828,592	9,889.05	8,055.80
May-20	84.90	64.10	276,341	32,845.48	29,968.45	84.85	67.55	4,500,304	9,598.85	8,806.75
Jun-20	152.80	72.05	2,087,591	35,706.55	32,348.10	152.60	72.05	19,276,322	10,553.15	9,544.35
Jul-20	142.30	103.35	964,142	38,617.03	34,927.20	142.90	104.55	6,349,782	11,341.40	10,299.60
Aug-20	270.55	128.25	1,388,553	40,010.17	36,911.23	270.60	129.30	10,029,375	11,794.25	10,882.25
Sep-20	426.00	230.95	1,489,287	39,359.51	36,495.98	424.50	231.25	11,033,234	11,618.10	10,790.20
Oct-20	543.60	438.10	1,598,672	41,048.05	38,410.20	541.60	438.40	8,229,948	12,025.45	11,347.05
Nov-20	481.15	409.30	601,189	44,825.37	39,334.92	480.85	410.80	4,117,043	13,145.85	11,557.40
Dec-20	620.55	443.20	967,179	47,896.97	44,118.10	619.90	442.00	82,11,861	14,024.85	12,962.80
Jan-21	784.15	594.10	550,258	50,184.01	46,160.46	785.00	600.00	4,685,738	14,753.55	13,596.75
Feb-21	688.95	557.70	313,820	52,516.76	46,433.65	684.90	556.45	2,932,311	15,431.75	13,661.75
Mar-21	620.70	511.30	240,926	51,821.84	48,236.35	621.70	511.70	2,341,346	15,336.30	14,264.40

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

### Performance in comparison to broad-based indices

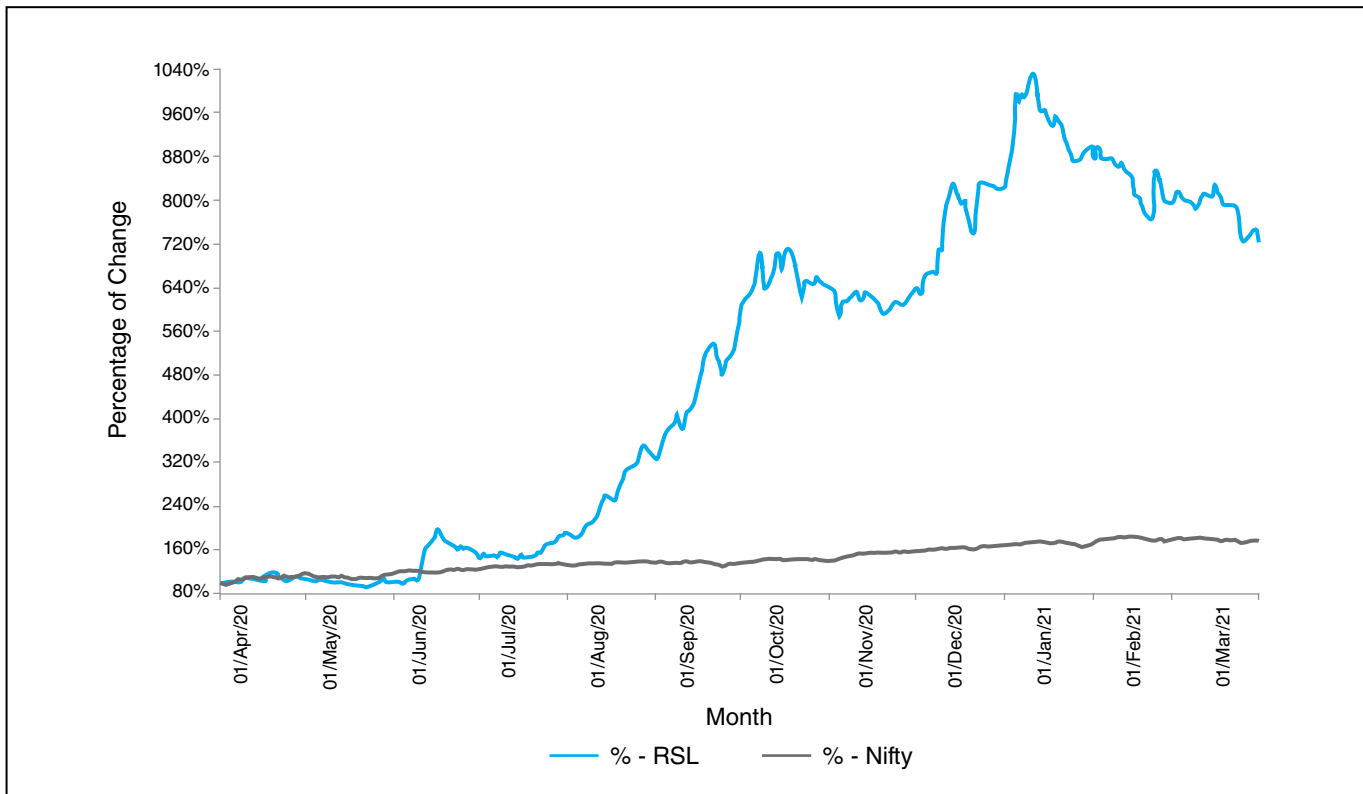
#### Share price movement compared to BSE Sensex (closing price on last trading day of the month)





## Corporate Governance Report (Contd.)

## 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, 2021 is as follows:

Sl. No.	Holding range	Number of Members	% of total	Shares	% of total
1.	Between 1 and 500	28,635	93.15	1,978,185	6.44
2.	Between 501 and 1,000	1,005	3.27	771,228	2.51
3.	Between 1,001 and 2,000	476	1.55	704,861	2.29
4.	Between 2,001 and 3,000	177	0.58	448,901	1.46
5.	Between 3,001 and 4,000	95	0.31	332,471	1.08
6.	Between 4,001 and 5,000	77	0.25	361,685	1.18
7.	Between 5,001 and 10,000	130	0.42	932,318	3.04
8.	More than 10,000	146	0.47	25,184,433	82.00
	<b>Total</b>	<b>30,741</b>	<b>100.00</b>	<b>30,714,082</b>	<b>100.00</b>

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

## Shareholding Pattern

Sl. No.	Category	Number of Members	Number of Shares Held	% held
1.	Promoters & Promoter Group	16	16,724,849	54.45
2.	Public	29,981	13,989,233	45.55
3.	Non-Promoter & Non-Public	-	-	-
4.	Shares underlying DRs and held by Employee Trust	-	-	-
	<b>Total</b>	<b>29,997</b>	<b>30,714,082</b>	<b>100.00</b>

**Note:** The above report is based on PAN. Detailed Shareholding Pattern is provided in MGT – 9 is available in the Company's website.

## Corporate Governance Report (Contd.)

### 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 lodgment of the transfer, transmission, sub-division, consolidation and renewal and files the same with Stock Exchanges.

### Dematerialization of Shares

99.59% of the Company's paid-up Equity Share Capital has been dematerialized as on March 31, 2021. Trading in Equity Shares of the Company is permitted only in dematerialized form. Details as of March 31, 2021 are as follows:

Mode of Holding	Number of Holders	Number of Shares	% of shares
NSDL	12,856	21,402,253	69.68
CDSL	17,633	9,184,412	29.90
Total Demat holding	30,489	30,586,665	99.59
Physical	252	127,417	0.41

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

Reconciliation of Share Capital 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 the FY 2020-21 (93,064,388 shares) as compared to FY 2019-20 (15,570,890 shares).

## 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, 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/hubfs/investor-relations/Amended-Insider-Trading-CodeV3-19-06-2020.pdf> and <https://www.ramco.com/hubfs/investor-relations/Policy-on-inquiry-for-leak-of-UPSI-01.04.2019.pdf>.

### 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 (or within such time limit as extended by SEBI) duly signed by the Compliance Officer.

## Corporate Governance Report (Contd.)

### 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 victimization. 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/hubfs/investor-relations/Ramco-Whistle-Blower-Policy.pdf>.

### OTHER DISCLOSURES

Compliance Requirements	Compliance Status
Related Party Transaction ("RPT") Policy Web link	<a href="https://www.ramco.com/hubfs/investor-relations/ramco-related-party-transaction-policy.pdf">https://www.ramco.com/hubfs/investor-relations/ramco-related-party-transaction-policy.pdf</a>
Materially Significant 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	<a href="https://www.ramco.com/hubfs/investor-relations/ramco-material-subsiidiary-policy.pdf">https://www.ramco.com/hubfs/investor-relations/ramco-material-subsiidiary-policy.pdf</a>
Dividend Distribution Policy Web link	<a href="https://www.ramco.com/hubfs/investor-relations/DIVIDEND-DISTRIBUTION-POLICY.pdf">https://www.ramco.com/hubfs/investor-relations/DIVIDEND-DISTRIBUTION-POLICY.pdf</a>
Foreign Exchange Risk	Refer the Note No.30 of the Standalone Financials in page no. 155.
Details of Utilization of Funds	The Company has no unutilized 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	There were no complaints received during the year and no complaints were outstanding at the end of the year. Refer Board's Report for related disclosures in page no. 36.
Statutory Auditors Fees	The total fee paid by the Company during the FY 2020-21 is Rs.1.96 Mln. Refer the Note No.24 of the Standalone Financials in page no. 147. The subsidiary Companies have separate Statutory Auditors, not connected with the Company's Statutory Auditors. No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by our subsidiaries.
SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a Centralized 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.

## Corporate Governance Report (Contd.)

### DISCLOSURES AND AFFIRMATIONS

#### CEO/CFO Certification

In accordance with Regulation 17(8) read with Part B of Schedule II of 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 and the same is annexed to 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/hubfs/investor-relations/code-of-conduct-business-ethics.pdf> .

A declaration, signed by the Whole Time Director and Chief Executive Officer of the Company in accordance with Regulation 17(5) read with Schedule V(D) of SEBI LODR, confirming the Compliance is annexed to 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, 2021.

For **RAMCO SYSTEMS LIMITED**

**VIRENDER AGGARWAL**

Chief Executive Officer

Place: Singapore

**P V ABINAV RAMASUBRAMANIAM RAJA**

Whole Time Director

Place: Rajapalayam

Date: May 25, 2021

### Certificate from the Whole Time Director, CEO and CFO under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### The Board of Directors

#### Ramco Systems Limited

We, P V Abinav Ramasubramaniam Raja, Whole Time Director, Virender Aggarwal, Chief Executive Officer and R Ravi Kula Chandran, Chief Financial Officer, do hereby affirm the following, pursuant to provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to the financial reporting during the year ended March 31, 2021;

1. We have reviewed the Standalone and Consolidated Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and that to our best of knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading; and these statements together, present a true and fair value of the Company's Affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to such financial reporting and we have disclosed to the Auditors' and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and steps we have taken or steps proposed to rectify these deficiencies.
4. There were no instances on account of following, during the year ended March 31, 2021, which were required to be indicated to the Auditors' and the Audit Committee of the Company:
  - a. Significant changes, if any, in the internal control over the financial reporting
  - b. Significant changes in the accounting policies during the year
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **RAMCO SYSTEMS LIMITED**

**P V ABINAV RAMASUBRAMANIAM RAJA**

Whole Time Director

Place: Rajapalayam

**VIRENDER AGGARWAL**

Chief Executive Officer

Place: Singapore

**R RAVI KULA CHANDRAN**

Chief Financial Officer

Place: Chennai

Date: May 25, 2021

## 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 March 31, 2021**, 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 of Directors and its 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 website;
- (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 Secretary 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 March 31, 2021, 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  
(Peer Review Certificate No. 739 /2020)

**K SRIRAM**

Partner

Place: Chennai

Date: 25th May 2021

Membership No: **F6312**

Certificate of Practice No: **2215**

UDIN:F006312C000369917

### 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 below named Directors who are on the Board of Directors of RAMCO SYSTEMS LIMITED** ('the Company') as on **March 31, 2021, 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 our verification of the following, which to the best of our knowledge and belief were considered necessary in this regard:

- Information relating to the directors available in the official website of MCA; and
- 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 process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For **S. KRISHNAMURTHY & CO.,**  
Company Secretaries  
(Peer Review Certificate No. 739 /2020)

**K SRIRAM**

Partner

Membership No: **F6312**

Certificate of Practice No: **2215**

UDIN:F006312C000369928

Place: Chennai

Date: 25th May 2021

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

Since its inception, Ramco Systems Limited has evolved as a strong organization. Driven by innovation and growth culture, the organization has successfully strengthened its foundation and simplified the digital transformation journey of the organizations across the world.

We provide next generation, end-to-end enterprise solutions that render complete transformation of the business in real time. Built on Ramco VirtualWorks®, all of Ramco products are cloud architected by design and address the entire business cycle – be it promoting transparency across organization, improving employee engagement or encouraging collaboration, boosting operational efficiency and increasing productivity. The organization has been delivering simplified solutions based on AI/ML and delivering measurable outcomes.

Our offerings include comprehensive ERP covering HR & Global Payroll (platform & Managed services), MRO, M&E, SCM, Logistics, Manufacturing, Asset Management, Financials, Inventory, Procurement, Service Management, Process Control, Project Management, on either client premises, or on the most appropriate cloud model—public, private and community. These offerings are delivered across key verticals like Aviation, Aerospace & Defense Manufacturing, Energy & Utilities, Ports, Logistics (focussed for 3PL, Freight forwarders, & Network service providers), Mining & Cement, Real Estate & Construction, Facilities Management Staffing and Professional Services.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Digital transformation is the emerging need for businesses amidst a competitive and challenging business environment. It is a process that enhances productivity and efficiency across business operations. The adoption or modernization and upgradation of digital technologies ultimately leads to increased stakeholder satisfaction and creating value across the organization. It necessitates the need of adopting a state-of-the-art ERP infrastructure to transform daily business operations, manage scale, improve data quality, strengthen analytics, accelerate decision making and bring in more comfort and convenience to both employees as well as customers.

The COVID-19 pandemic disrupted our lives and business, forcing significant changes in the way we work, shop, and

interact. The trend is expected to continue into 2022 as well, and may result in a New Normal. As a result, several transformation trends would drive the overall adaptation of ERP across the world. According to Intrado Global Newswire, the global cloud ERP market size is expected to witness 17.4% CAGR, between 2020-25, growing from USD 45.3 Bln. in 2020 to USD 101.1 Bln. by 2025.

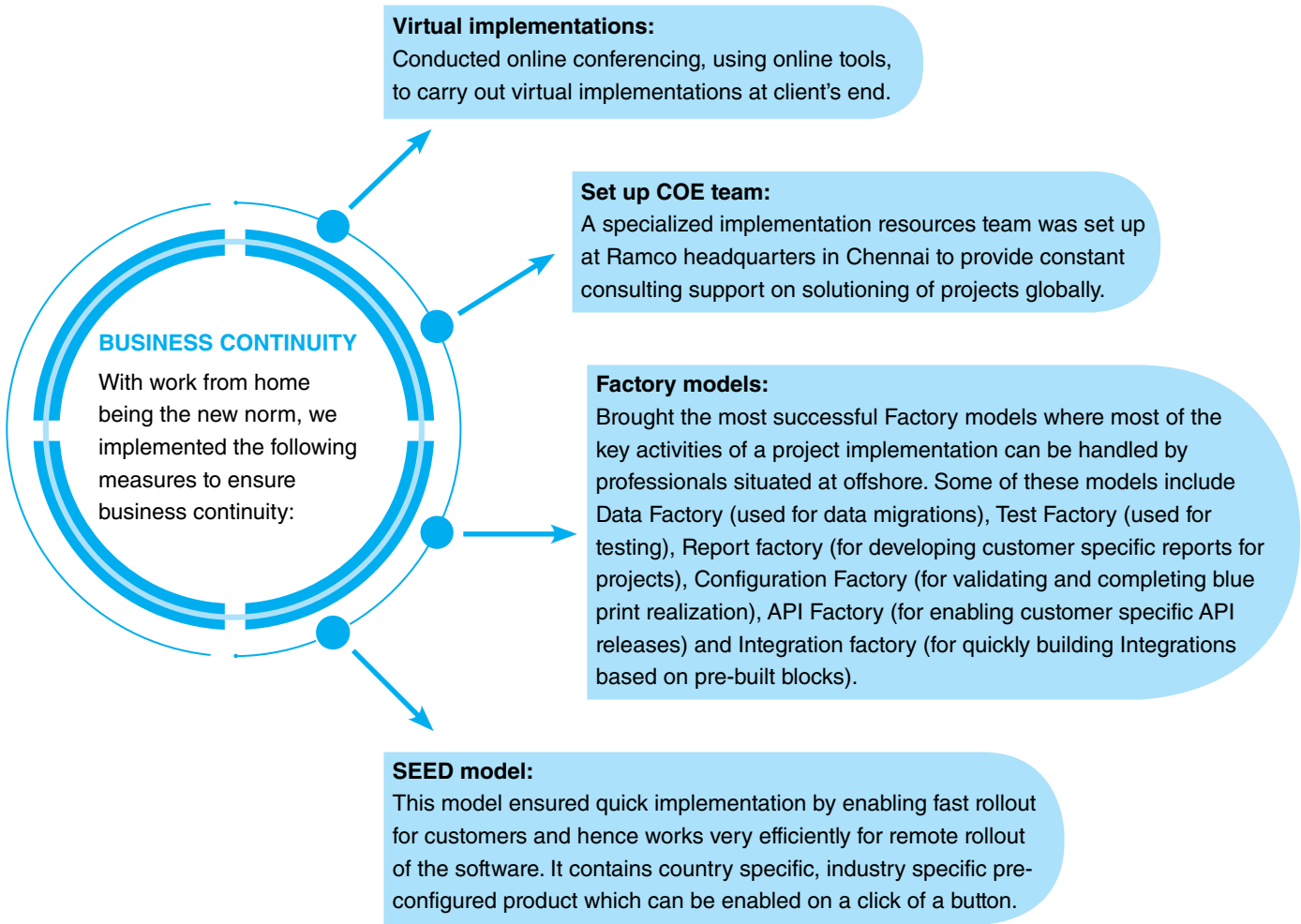
### PERFORMANCE REVIEW

The financial year 2020-21 brought about a high level of uncertainty. It is impossible to quantify the personal and professional challenges the Ramco family has braved yet remained resilient and positive. We remained committed to our spirit of commitment and dedication.

Innovation driven from an obsessed customer focus continued to be the key driving force behind the achievements during the year. The ERP business rolled out important features like anomaly detection, universal personalization engine and smart features for zero UI, like, chatbots, smart adaptive forms (through chatbots, & emails), real-time notifications & alerts, interactive dashboards, facial and voice recognitions, and enhanced hubs, among others. The logistics business, focussed on improving user experience, augment productivity through AI & ML use case implementations, handling higher data volumes, and also enable seamless ecosystem integration. In the HRP business, we introduced several features to enhance employee engagement. These include auto chatbots for employee/administrator queries, self-explaining payslips, compliance portal, country-specific templates and advance analytics, among others. The aviation business expanded solutions beyond MRO & M&E, to manufacturing, defense compliance, flight operations, Inventory Technical Management services, CRM, planning and optimization modules, besides introducing several advanced functionalities across different domains of operations.

Some of the other prominent achievements during the year across all products include development of pathbreaking solutions like touch-less employee experience, User specific personal experience based on Ramco's UPE Engine (based on AI & ML), powerful visualization and dashboards. Besides, we also did a technology revamp, upgrading RVW for next-gen User interfaces and shifted to use of APIs to help us stay ahead of competition.

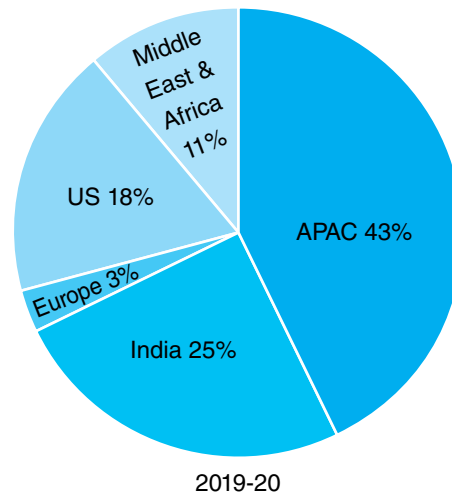
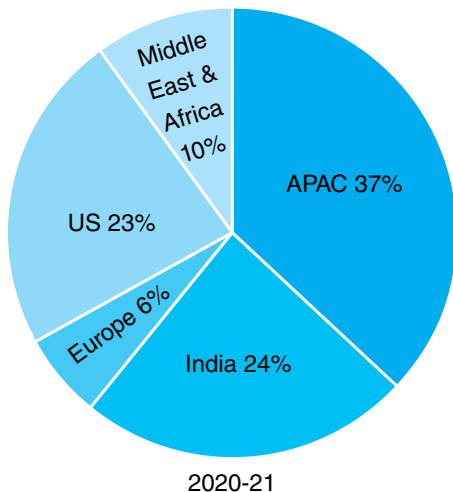




**Revenues by Geography**

While the world remained under lockdown, our teams continued to win big names. Our revenues increased by 5% from Rs.5,689.16 Mln. in 2019-20 to Rs.6,263.06 Mln. in FY 2020-21. The list of Fortune 500 brands and Global

multinationals trusting Ramco has increased sizeably which is visible in average deal size of new orders moving beyond 1.5 Mln. USD during the year.



## APAC

### Order Wins:

- (i) World's largest aircraft manufacturer selects Ramco Aviation Software to manage FTM contracts globally and provide unmatched level of guarantees to its customer
- (ii) First Digital Transformation deal with MMC Ports, the largest Port operators in Malaysia owning 5 out of 7 major ports
- (iii) Fortune 500 telecommunication equipment, networking equipment and consumer electronics brand chooses Ramco for their APAC Payroll Transformation

### Go-Lives:

- (i) Philippines' largest multi-national corporation went live on Ramco Transport Management System enabled with In-Memory Planning Optimization (iPO)
- (ii) A global leader in power technologies went live on Ramco's Managed Payroll Services for six countries
- (iii) A privately-owned corporation in charge of operating, maintaining, and developing the country's state-owned power grid went live on Ramco Global Payroll & HR
- (iv) One of the largest toll road developer and operator in the Philippines went live on Ramco HR & Global Payroll

## India

### Order Wins:

- (i) A leading, sustainable agricultural innovation and technology company covering Managed Payroll Services and Lodgments filing for employees across 13 countries in APAC

### Go-Lives:

- (i) First virtual implementation at a premium quality CI castings and iron castings provider
- (ii) A Japanese multinational automobile manufacturer went live on Ramco Global Payroll for 14,000 employees across 6 entities in India

## Australia

### Order Wins:

- (i) Australia's Leading Construction Company, Hansen Yuncken Partners with Ramco to Digitize its Payroll and HR Operations
- (ii) Salus Aviation Group, one of New Zealand's largest aviation services providers, embarks on a digital transformation initiative for group-wide operational visibility and discipline thus improving overall efficiency
- (iii) One of the largest beverage and food company in Australia and New Zealand trusts Ramco for Managed Payroll Services

- (iv) Prestigious and iconic win from one of the largest Transport company in Australia for Ramco Transportation Management System (TMS) solution

- (v) A global specialty biotechnology company chooses Ramco's Managed Payroll Services as part of their Multi-Country Payroll Transformation

### Go-Lives

- (i) Philippine-based bottling and distribution company went live on Ramco Global Payroll & HR for over 10,700 employees

**Ramco was awarded the 'Transformation' Award with Cobham Aviation Services for delivering digital transformation and the 'Collaboration' Award with Norske Skog Australasia for enabling ERP transformation at the 2020 ISG Paragon Awards, APAC**

- (ii) World's largest provider of commercial explosives and innovative blasting systems went live on Ramco Global Payroll

## Americas

### Order Wins:

- (i) Two new defense adversary air (ADAIR) services operators. With this Ramco now has the enviable position of having all the top four ADAIR service providers to the U.S. Department of Defense, as its customers
- (ii) Bristow, one of the largest Helicopter Operators in the world. They also signed up with Ramco's Center of Excellence (CoE) service model for 5 years to help onboard the aircraft into the application
- (iii) Global Medical Response (GMR), one of the largest air medical operator in the world, migrates all its aircraft to Ramco's Cloud
- (iv) CHI Aviation, a leading U.S. defense contractor selects Ramco for both its Heli operations and Drones. This is Ramco's first venture into the newly emerging segment of Drones and eVTOLs
- (v) One of the largest Helicopter Manufacturer in the world
- (vi) U.S. based leading antimicrobials and equipment manufacturer for the Foods industry, Asset Maintenance and Manufacturing segment
- (vii) Other notable wins in the MRO segments include GoAeroMx, a leading U.S. MRO, PMA, and Fleet Management support provider, Salus Aviation, a leading MRO in New Zealand

## Middle East & Africa

### Order Wins

- (i) World's largest producer of organic dairy products and one of the global top 10 dairy companies for Global Payroll & HR
- (ii) World's leading logistics company & top 10 largest employers for Global Payroll & HR
- (iii) One of the world's leading container carrier in terms of vessel capacity for Global Payroll
- (iv) One of the world's leading strategy consulting firms trusts for Global Payroll

### Go-Lives

- (i) First virtual implementation at a major exporter of automotive castings
- (ii) One of the world's leading container carrier in terms of vessel capacity went live on Ramco Global Payroll across 9 countries in a record time of 9 weeks
- (iii) Caverton Helicopters Limited went live on Ramco Aviation to digitally transform business processes
- (iv) One of the world's leading strategy consulting firms virtually went live on Ramco Global Payroll

## FINANCIAL PERFORMANCE

In accordance with SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) regulations, 2018, 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, 2021	March 31, 2020
Interest Coverage Ratio	13.23	3.75
Current Ratio	2.39	1.57
Debt Equity Ratio	Nil	0.16
Operating Profit Margin	18.63%	8.04%
Net Profit Margin	8.91%	1.79%
Product Revenue to Total Revenue	47.69%	45.98%
Return on Net Worth	8.56%	1.68%
R&D Spend to Revenue	9.57%	8.41%
Days Sales Outstanding (DSO in nos.)	101	115

### Detailed explanation for significant changes in sector-specific key financial ratios and changes in Return on Net Worth:

#### Operating Profit Margin (OPM):

The OPM for the year worked out to 18.63% as against 8.04% due to increase in PAT compared to the previous year. The reasons for the increase in PAT are explained under NPM.

#### Net Profit Margin (NPM):

The NPM for the year worked out to 8.91% as against 1.79% due to increase in PAT compared to the previous year.

#### The increase in the NPM is analyzed below:

Particulars	Rs. Min.
Increase in Revenue	573.90
Increase in Other Income	53.94
Increase in Purchase of Stock in Trade	(49.17)
Net Increase in Employee Benefits Expense	(199.57)
Decrease in Finance Costs	33.80
Increase in Depreciation and Amortisation Expense	(26.81)
Increase in Provision for Doubtful Debts	(118.82)
Decrease in Other Exp	476.51
Higher Taxes	(284.27)
Decrease in Share of Profit of an Associate	(1.71)
Increase in Non-Controlling Interests	(1.77)
<b>Increase in PAT attributable to Shareholders of the Company</b>	<b>456.03</b>

## Interest Coverage Ratio:

The finance costs have come down to Rs.88.25 Mln. during the current year from Rs.122.05 Mln. during the previous year.

- (i) The interest on loans and finance charges have come down to Rs.2724 Mln. during the current year compared to Rs.52.40 Mln. during the previous year, on account of decrease in borrowings. The borrowings of Rs.962.50 Mln. as at the beginning of the year were gradually repaid during the year and the year end balance was nil.

- (ii) The interest on lease liabilities have come down to Rs.61.01 Mln. during the current year compared to Rs.69.65 Mln. during the previous year due to reduction in the lease liabilities.

At the same time, the earnings before interest and tax (EBIT) has significantly increased from Rs.457.14 Mln. in the previous year to Rs.1,167.12 Mln. during the current year.

The above had resulted in the increase of interest coverage ratio from 3.75 for the previous year to 13.23 for the current year resulting a coverage ratio growth of 253.09%.

## Debt Equity Ratio:

The entire debt of Rs.962.50 Mln. as at the beginning of the year has been repaid during the year, through funds generated from operating activities as explained below:

Particulars	Rs. Mln.
Net cash flow from operating activities, excluding unrealised exchange losses	1,724.00
Net cash flow used in investing activities (mainly towards addition to tangible & intangible assets)	(660.66)
Net cash flow used in financing activities (excluding borrowings)	(99.17)
Increase in cash and cash equivalents (excluding bank overdraft)	(1.67)
Net surplus from operations used for repayment of borrowings	962.50

Since there is no debt at the end of the current year, the debt equity ratio is nil compared to 0.16 as at the end of the previous year.

## Current Ratio:

The Current Ratio has increased by 52.47%, i.e., from 1.57 as at the end of the previous year to 2.39 as at the end of the

current year. This is due to decrease in current liabilities by 32.22% and increase in current assets by 3.34%.

Particulars	Rs. in Mln.	
	As at the end of the current year	As at the end of the previous year
<b>CURRENT ASSETS</b>		
Trade receivables	1,820.18	1,901.82
Other financial assets	1,004.35	1,035.27
Other current assets	1,426.78	1,211.91
Others	294.58	249.95
<b>Total</b>	<b>4,545.89</b>	<b>4,398.95</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	-	862.50
Trade payables	563.59	575.78
Lease liabilities	107.04	109.55
Others	1,229.58	1,255.70
<b>Total</b>	<b>1,900.21</b>	<b>2,803.53</b>
<b>Current Ratio</b>	<b>2.39</b>	1.57

As can be seen from the above table, current assets have increased mainly due to increase in unbilled services revenue (included under "Other current assets") and current liabilities have come down mainly due to decrease in borrowings.

### Return on Net Worth:

The net profit has increased by 448.23%, i.e., from Rs. 101.74 Mln. to Rs.557.77 Mln. (as explained under NPM above), while the equity has gone up by 7.60% from Rs.6,058.25 Mln. to Rs.6,518.48 Mln., resulting in an increase of 409.52% in return on net worth from 1.68% during the previous year to 8.56% for the current year.

### CHALLENGES

Very few organization across the world have embarked upon the digital transformation journey. The priority quotient still runs low, and the transformation exercise gets postponed time and again. Post Covid, while the government is trying to revive the economy, the organizations need to embrace digital transformation to ensure higher efficiencies, adjust to the New normal, and remain competitive in the market.

### OUTLOOK

With the new normal, companies are looking forward to having smart digital ERP solutions to improve stakeholder experience, and drive in Automation with technologies like RPA, AI & ML, NLP, multi-tenant & cloud hosting capability, Real time connected system, remote implementation and automated operations, among others. This will lead to enhanced savings in manhours in transforming their core business operations and realigning their goals with the revised focus. Besides, personalization and seamless integration with the ecosystem applications will further play a prominent role in this transformation.

Domains like payroll outsourcing is expected to witness 20% annual growth driven by automation through AI, ML and RPA. We will look forward towards expanding our global presence in the Europe and US regions, focussing on the large enterprises and MNCs. The pandemic shall further necessitate the needs for

applications like 'pandemic control system' with pre-configured solutions. We will look forward to providing a uniform touchless payroll experience to organizations across their global entities while continuing to delight employees with empowerment of data and process. We envision to be a defacto standard and a global leader in offering payroll solutions and services.

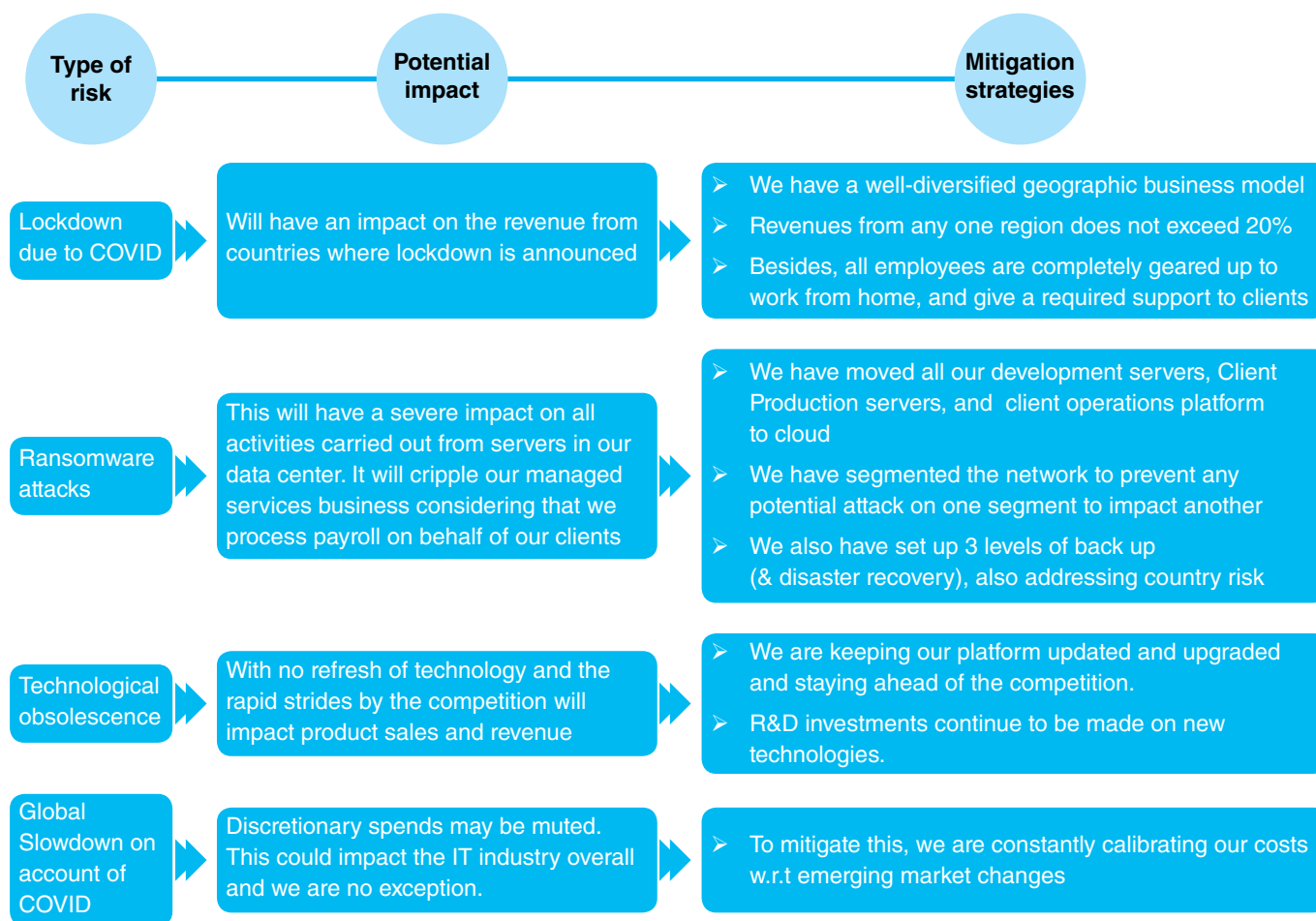
The logistics segment has witnessed an upward shift in terms of orders, opportunity and growth from the express parcel industry. Thanks to the emergence of e-commerce services and increase in digitalization exercise by the logistics services providers, there would be a strong demand for a next-gen, asset light user interface with Zero UI and scalable smart features with extensive use of AI/ML technology.

In the aviation, we are witnessing renewed interests on paperless shopfloors, e-signatures and digital collaboration post pandemic. Large MRO organizations are even considering to break away from their heavily customized and expensive legacy systems to out of the box best breed solutions. Our strategic priorities going ahead will be MRO , defence and Heli along with UAM/Drone based applications going ahead.

### RISK MANAGEMENT

At Ramco, we continuously assess and monitor risks across our businesses. Risks with the potential to materially impact the financial/operational performance of the Company are monitored under the risk management framework. To enable a quick and appropriate response when a major risk materializes, the Company has set up several mitigation measures to reduce the impact. Besides, the Company's internal audit division regularly assesses the adequacy of risk management strategies and regularly reports its findings to the Audit Committee of the Board of Directors.

Some of the major operational risks recognized and managed by the Company include:



## INTERNAL CONTROL SYSTEMS

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 the Act 2013 (“the Act”).

The Company has an external audit firm for carrying out the internal audit, based on a plan finalized 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 the Act). The Company had assessed the effectiveness of the internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2021. Based on its evaluation (as defined in Section 177 of the Act and Clause 18 of SEBI Regulations 2015), our Audit Committee has concluded that, as of March 31, 2021, our internal financial controls were adequate and operating effectively.

# BUSINESS RESPONSIBILITY REPORT

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

This Business Responsibility Report (“BRR”) conforms to the requirement of SEBI LODR and the National Voluntary Guidelines (“NVGs”) 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	<a href="http://www.ramco.com">www.ramco.com</a>			
5.	E-mail id	<a href="mailto:investorcomplaints@ramco.com">investorcomplaints@ramco.com</a>			
6.	Financial Year reported	April 01, 2020 to March 31, 2021			
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. <b>Number of National Locations:</b> 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, Macau and Japan), Australia and New Zealand.			

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital - Rs. Mln.	307.49
2.	Total Turnover - Rs. Mln.	3,543.58
3.	Total profit after taxes - Rs. Mln.	442.25
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent Rs.14.45 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

## Business Responsibility Report (Contd.)

### SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary Company/ Companies?	Yes. Refer Annexure to Board's Report – MGT 9 uploded in the weblink: <a href="https://www.ramco.com/investor-relations/investor-information/annual-return/">https://www.ramco.com/investor-relations/investor-information/annual-return/</a> .
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 (“BR”) 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 BR 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	<a href="mailto:brr@ramco.com">brr@ramco.com</a>

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

(a) The NVGs on Social, Environmental and Economic Responsibilities of Business released by MCA has adopted nine areas or Principles P1 to P9, (given in Section E) of BR.

(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? If 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.								



## Business Responsibility Report (Contd.)

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 <a href="https://www.ramco.com/investor-relations/">https://www.ramco.com/investor-relations/</a> 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 BR 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 BR 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 BRR is forming part of Annual Report and also placed on the Company's website at [www.ramco.com](http://www.ramco.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Ramco as a Business conducts and governs itself with integrity and in a manner that is ethical, transparent and accountable. Ramco provides software and services that is sustainable and safe. Ramco respects and promote the well-being of all employees, including those in their value chains. Ramco respects the interests of and is responsive to all its stakeholders. Ramco as a major Business unit respects and promotes human rights. Ramco as a business unit promotes inclusive growth and equitable development. Ramco engages with and provide value to its customers in a responsible manner.

Ramco and its employees are committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices and to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption. This applies to all individuals worldwide working for all affiliates and subsidiaries of Ramco at all levels and grades,

## Business Responsibility Report (Contd.)

including Directors, senior executives, employees (whether permanent, fixed-term, hourly or temporary), consultants, contractors, trainees, outsourced staff, interns, partners, or any other person associated with Ramco. Appropriate action will be taken for any breach of the code including dismissal through termination.

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?

Yes. Group has a separate policy. Contractors are governed as per the agreement. 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 is hosted on the Company's website. 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.

During the year, no Compliant has been received under Whistle Blower Policy. During the year 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.**

The technology industry has been striving to create an economic sustainability by building new technologies to boost efficiency. Ramco with its technological innovation has been spearheading and playing a pivotal role in driving digital sustainability.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.
  - As an immediate response to the pandemic, Ramco Systems had augmented its existing facial recognition-based attendance, RamcoGEEK with thermal screening, to enable touchless experience. Sensing the urgent need for holistic contact tracing and safe distancing approaches to ensure workplace health and safety, Ramco Systems further partnered with two start-ups — U.S. based start-up Navigine and Singapore-based Hipla Technologies to leverage Real-Time Location System (RTLs) and CCTV-based Artificial Intelligence to detect safe-

distancing violations within the workplace, enabling necessary health and safety protocols aligned with organizational policies. While millions have adapted to working from home, there is a large percentage of essential workers needed on-site at factories, plants, offices, restaurants, e-commerce warehouses and facilities providing utilities and important services. Many organizations also see the need for office workers to return at least intermittently in split shifts while logging in remotely some of the time.

The production of Ramco's Pandemic Control System has been yielding visible results with some of the clients clocking a little over 9 Mln. recognitions annually resulting in touch-less attendance avoiding the spread of virus, and the screening of temperature at entrance. This has also resulted in better Occupancy Management with the help of surveys, as only eligible people can be allowed to enter the office limiting the number of people as per the Regulatory needs defined by individual countries.

- With applications constantly getting upgraded, we at Ramco have been innovating and changing the way users work with the Outlook Mailbox, turning it into a self-service screen for employees. Outlook Email based transactions can help the employees of our customers not to install additional applications which could result in additional power consumptions and maintenance efforts.
- Ramco's chatbot, Ramco CHIA, an Artificial Intelligence driven Virtual Assistant which uses Deep Learning and Natural Language Processing to simplify day-to-day HR transactions, has been maturing over the years. Ramco's goal of moving towards Zero UI is steadily coming to fruition, with Ramco CHIA's ability to understand its users increasing exponentially, greatly minimizing the need for human intervention. To date, Ramco CHIA clocks around 2 Mln. conversations annually, across 30+ customers, saving close to 1 Mln. minutes every year. Some of the recently added chatbot use cases include: L1 Payroll Support, Timesheet Management, Employee Personal Information, HR Admin, and SPOC Admin.
- 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

## Business Responsibility Report (Contd.)

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.

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.

At Ramco, emissions are constantly monitored. The operation of diesel generator sets, and boilers are the primary sources of emissions of NOx and SOx at our offices. These are monitored every month to ensure that they are within permissible limits prescribed by the regional Pollution Control Boards. Ambient air quality checks are also conducted every month.

Ramco being a Software Product company, primarily consumes electricity in our data centers, and offices globally. Our focus is to encourage employees to reduce consumption, and also to reduce electricity consumption at our data centers.

Deployment of Hyper Converge Infrastructure (HCI) will bring in an optimized Data Center Compute and Storage footprint, thereby reducing energy and cooling requirements in our data centers. At the same time, HCI brings in greater resiliency, higher security levels with the adoption of Zero Trust oriented Software Defined Network solutions within the HCI environment, supplemented by micro segmentation. Self-provisioning features of the tools enhances quick deployment, employee's productivity and in turn improves speed to market.

We have gradually reduced our per capita electricity consumption over the years.

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

(a) If yes, what percentage of your inputs was sourced

sustainably? Also, provide details thereof, in about 50 words or so. No

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

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

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

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

Yes. Ramco has a mechanism to recycle waste, but it doesn't deal with product recycling as it does not manufacture products.

Due to lock down in FY 2020-21, we have not made e-waste. In the past RAMCO has contributed towards recycling of Wastepaper and the same has been appreciated/acknowledged by ITC Limited (Paper Boards & Specialty Papers Division). Generally, we recycle & use Printer Toner cartridges after refilling them, which falls in the range of less than 5%. 5-10% of Nonworking Laptops / Desktops are sent as e-waste. All e-waste products which are less than 5% are being disposed through Government approved / authorized vendors.

The process involves collection of e waste products, testing & 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.

Ramco initiated plans to implement and monitor programs related to physical and mental wellbeing of employees and focusing on collaboration, work culture. We have also coached managers to be better effective during this challenging times.

Connect sessions with employees and recognition by the leaders are ongoing, which have brought in a feeling of belongingness amongst employees, who felt supported and recognized.

- Please indicate the Total number of employees: 1,693 permanent employees on rolls of the Company.
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. Third Party Employee: 43 & Retainer: 27
- Please indicate the Number of permanent women employees: 672
- Please indicate the Number of permanent employees with disabilities: 1

## Business Responsibility Report (Contd.)

5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is Members of this recognized employee association? : Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?  
Nil
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	96% (of 1,763 total employees)	74%
(b)	Permanent Women Employees	40% (of 1,693 permanent employees)	76%
(c)	Casual/ Temporary/ Contractual Employees	4% (of 1,763 total employees)	47%
(d)	Employees with Disabilities	0.057%	0.05%

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

Ramco follows a non-discriminatory approach while hiring and have been a responsible employer while catering to the needs of employees with disabilities.

1. Has the Company mapped its internal and external stakeholders? Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized 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 and work with campus recruitment cells for fresh engineering graduates, aiming at increasing their employability in the current IT industry scenario, and leveraging fresh minds to work in new-age projects with the latest technological stacks.

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

Ramco as a Business enterprise respects human rights. Ramco avoids infringing on the human rights and addresses adverse human rights impacts on people with a fair and open vision. The responsibility to respect human rights is a global standard of expected conduct of Ramco wherever it operates.

Focus is also on freedom of expression, privacy and security.

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 policies & practices have been developed to respect and protect human rights. It cover only the Company.
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, 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.**

Ramco business conduct refers to the commitment of businesses to operating in an economically, socially and environmentally sustainable manner while balancing the demands of shareholders and other interest groups.

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.

With the outbreak of COVID-19 disrupting businesses globally, the Company had worked in enabling technology solutions to monitor and measure safe-distancing, thereby facilitating contact tracing at workplace. As an immediate response to the pandemic, Ramco had augmented its existing facial recognition-based attendance, RamcoGEEK with thermal screening, to enable touchless experience.

## Business Responsibility Report (Contd.)

Sensing the urgent need for holistic contact tracing and safe distancing approaches to ensure workplace health and safety, the Company partnered with two start-ups to leverage Real-Time Location System (RTLS) and CCTV-based Artificial Intelligence to detect safe-distancing violations within the workplace, enabling necessary health and safety protocols aligned with organizational policies.

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

The Company had also partnered with leading global consulting firms to offer its cloud-based architecture as Business Platform as a Service (BPaaS) for cost-effective infrastructure and increased flexibility.

- 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 a heat productive environment.

- Does the Company identify and assess potential environmental risks? No.
- 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.
- Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.  
No in this year.
- 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.

- 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.

With the IT industry thriving globally, we at Ramco believe that it is imperative for organizations to work hand in hand, in order to further promote the development of the sector. Alliances with trade bodies and Chamber of Commerce not only aligns with the country's technology vision but will also help enable and accelerate the pace of global digital transformation.

- 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, the Company is a member of some of the key associations/ trade and chamber including:

Confederation of Indian Industry (CII)

The National Association of Software and Services Companies (NASSCOM)

Singapore Infocomm Technology Federation (SITF)

Society for Human Resource Management (SHRM)

American Payroll Association (APA)

South Africa Payroll Association (SAPA)

Global Payroll Association (GPA)

American Chamber of Commerce (AMCHAM)

Australia Payroll Association (APA)

Indo-Australian Chamber of Commerce (IACC)

- 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.

At Ramco, as we make strides in becoming the enabler of digital transformation, we ensure our focus on inclusive growth does not waver. We are deeply devoted towards uplifting the communities around us whilst empowering our stakeholders as well. From our initiatives around Education, to our commitment to being a catalyst for innovation and disruption, the company pledges to support inclusive growth and equitable development.

## Business Responsibility Report (Contd.)

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. No.

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 been focusing on digital transformation for organizations.

The Company has spent Rs.14.45 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.

Digital transformation has been on the agenda of organizations for years. It is now a crucial time for leaders to plan for and implement it across industries. The Company has been enabling such organizations to understand the role of digital technology that is shifting from driving marginal efficiency to being a catalyst of innovation and disruption and is helping them embrace newer technologies offering improved efficiencies, and more cost-effective ways to use technology.

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

The Company while serving the needs of its customers, had taken into account the requirements of the customers and that of society by ensuring it does not restrict the freedom of choice and free competition in any manner while designing, promoting and selling the products. The disclosure of all relevant information about the usefulness of its products helps the customers exercise their freedom to consume the products or services without any prejudice.

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 Customers 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 have been filed by any stakeholder against the Company during the last five years in this regard.

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

Yes. Ramco does undertake customer satisfaction surveys from time to time. The feedback from these surveys is leveraged to aid these customers to better harness the technologies and derive maximum return on investment and effectiveness.

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## 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 ('Standalone Financial Statements') of Ramco Systems Limited ('Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year ended on 31 March 2021 and a summary of significant accounting policies and other explanatory information.

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 ('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 2021, its Profit (Financial Performance including Other Comprehensive Income), Cash Flows and Changes in Equity for the year ended on 31 March 2021.

#### 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 Standards 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### 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 Receivables, Unbilled License Revenue and Unbilled Services Revenue

#### Trade Receivables:

Trade receivables are amounts billed but not yet received as on 31 March 2021. Amount outstanding on this account is Rs.1,175.38 Mn. Of this Rs.592.63 Mn. is receivable from ten wholly owned subsidiaries and Rs.99.40 Mn. 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 license. The excess revenue over billing is classified as Unbilled License Revenue and grouped under Financial Assets. The amount outstanding as on 31 March 2021 is Rs.394.66 Mn.

#### 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 outstanding as on 31 March 2021 is Rs.342.81 Mn.

#### 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 Receivables 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 Receivables 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 evidence.



## Independent Auditor's Report (Contd.)

We assessed the ageing of Trade Receivables and Unbilled Revenue, the customer's historical billing and collection patterns and whether any payments post year-end have been received up to the date of this report. We have also ascertained the key judgments and assumptions used by the 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 2021 is Rs.3,672.60 Mn.

#### 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. 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 value of intangible assets is particularly judgmental given its dependency on business forecasts. The carrying cost of Product Software and Technology Platform as on 31 March 2021 is Rs.2,572.14 Mn.

#### Auditor's Response:

We have reviewed and verified the process of capitalisation 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.

Our procedures focused on evaluating the appropriateness of the revenue forecasts and operating cash flows included in the business.

Reviewing the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:

- a) Comparing historical budget forecasts against actual results.
- b) Comparing forecast growth to business plans approved by the Board.

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 Companies Act, 2013 ('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), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance

## Independent Auditor's Report (Contd.)

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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The 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 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:

- (i) Identify and assess the risks of material misstatement of the 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.
- (ii) Obtain an understanding of internal financial 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 in place and the operating effectiveness of such controls.

- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 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.
- (v) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

## Independent Auditor's Report (Contd.)

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 ('Order') issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards 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 2021 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) We have enclosed our report in "Annexure B" with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls.

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the 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.

- h) 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 2021 on its financial position in its Standalone Financial Statements - Refer note no. 29 to the Standalone Financial Statements.
  - ii. The Company did 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.

For **M S JAGANNATHAN & N KRISHNASWAMI**  
Chartered Accountants  
Firm Registration Number: 001208S

**K SRINIVASAN**  
Partner

Membership No.: 021510  
UDIN: 21021510AAAABL3810

Place : Tiruchirappalli  
Date : 25 May 2021

## ANNEXURE A to the Independent Auditor's Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Standalone Financial Statements of the Company for the year ended 31 March 2021:

### 1) Fixed Assets

1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

1.2 The fixed assets were physically verified during the year by the Management in accordance with the phased programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.

1.3 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 Standalone Financial Statements, the lease agreements are in the name of the Company.

- 2) The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- 3) The Company has not granted any loans to parties listed in the Register maintained under Section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) According to information and explanations given to us, the company is not required to maintain accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

### 7) Undisputed and disputed taxes and duties

7.1 The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Customs Duty, Goods and Service Tax, Value Added Tax, Cess and any other material statutory dues applicable to it during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

7.2 The disputed statutory dues aggregating to Rs.77.16 Mn. that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Forum where dispute is pending	Rs. Mn.
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

- 8) The Company has not defaulted in repayment of dues to Financial Institutions, Banks, Government or Debentures holders.
- 9) The Company did not raise any money by way of initial public offer or further public offer. The Company has not raised term loans from Banks / Institutions during the year. The Company has not issued any debentures during the year. Money obtained as short-term loan has been utilized for the purpose for which it was obtained.
- 10) 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.
- 11) According to the information and explanations given to us and based on our examination of the records of

**Annexure A to the Independent Auditor's Report (Contd.)**

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

- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants  
Firm Registration Number: 001208S

**K SRINIVASAN**

Partner  
Membership No.: 021510  
UDIN: 21021510AAAABL3810

Place : Tiruchirappalli  
Date : 25 May 2021

## ANNEXURE B to the Independent Auditor's Report

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('Act '), referred to in Paragraph 2(f) of our report.**

### OPINION

We have audited the internal financial controls over financial reporting of RAMCO SYSTEMS LIMITED ('Company') as of March 31, 2021, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on 31 March 2021.

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 2021, 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 issued by the Institute of Chartered Accountants of India.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 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 on Audit of Internal Financial Controls Over Financial Reporting ('Guidance Note') and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and

**Annexure B to the Independent Auditor's Report (Contd.)**

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**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

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants

Firm Registration Number: 001208S

**K SRINIVASAN**

Partner

Membership No.: 021510

UDIN: 21021510AAAAABL3810

Place : Tiruchirappalli

Date : 25 May 2021

## BALANCE SHEET

AS AT MARCH 31, 2021

Particulars	Note No.	As at	
		March 31, 2021 Rs. Mln.	March 31, 2020 Rs. Mln.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	166.50	169.56
Right-of-use assets	6	484.22	568.90
Intangible assets	7	2,625.38	2,484.27
Investment in subsidiaries	8	3,672.60	3,672.60
<b>Financial assets</b>			
Investments	9.2	15.00	15.00
Trade receivables	9.3	-	5.40
Other financial assets	9.4	389.24	135.88
Tax assets (net)		61.79	125.33
Deferred tax assets (net)	10	-	109.36
Other non-current assets	11	6.24	68.45
		<b>7,420.97</b>	<b>7,354.75</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Loans	9.1	848.65	1,048.68
Trade receivables	9.3	1,175.39	1,355.29
Cash and cash equivalents	9.5	23.36	30.84
Other financial assets	9.4	240.90	251.22
Tax assets (net)		91.99	41.50
Other current assets	11	476.60	424.52
		<b>2,856.89</b>	<b>3,152.05</b>
<b>Total assets</b>		<b>10,277.86</b>	<b>10,506.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	307.49	306.39
Other equity	13	8,456.71	7,992.68
<b>Total equity</b>		<b>8,764.20</b>	<b>8,299.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14.1	-	66.67
Lease liabilities	14.2	459.54	527.23
Trade payables	14.3		
Total outstanding dues of creditors other than micro and small enterprises		31.78	-
Deferred tax liabilities (net)	10	129.07	-
Provisions	15	62.93	64.29
Other non-current liabilities	16	8.95	9.94
		<b>692.27</b>	<b>668.13</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14.1	-	827.03
Lease liabilities	14.2	67.98	66.82
Trade payables	14.3		
Total outstanding dues of micro and small enterprises		9.29	17.11
Total outstanding dues of creditors, other than micro and small enterprises		281.53	241.98
Other financial liabilities	14.4	33.62	52.93
Provisions	15	5.33	4.75
Liabilities for current tax		0.74	-
Other current liabilities	16	422.90	328.98
		<b>821.39</b>	<b>1,539.60</b>
<b>Total liabilities</b>		<b>1,513.66</b>	<b>2,207.73</b>
<b>Total equity and liabilities</b>		<b>10,277.86</b>	<b>10,506.80</b>
The accompanying policies and notes form an integral part of the financial statements			
Significant Accounting Policies, Judgments and Estimates	1-4		
Notes on Financial Statements	5-35		

As per our report annexed

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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021



# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	Year ended	Year ended
		March 31, 2021	March 31, 2020
		Rs. Mln.	Rs. Mln.
<b>INCOME</b>			
Revenue from operations	17	3,450.05	3,058.48
Finance income	18	92.59	138.22
Other income	19	0.94	0.86
<b>Total Income</b>		<b>3,543.58</b>	<b>3,197.56</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade		46.32	6.60
Changes in inventories of stock-in-trade		-	-
Employee benefits expense	20	1,317.36	1,217.34
Finance costs	21	75.91	107.56
Depreciation and amortization expense	22	629.52	606.08
Other expenses	23	662.10	647.12
<b>Total expenses</b>		<b>2,731.21</b>	<b>2,584.70</b>
<b>Profit before tax</b>		<b>812.37</b>	<b>612.86</b>
<b>Income tax expense</b>			
Current tax (includes MAT)	10	133.06	99.43
Deferred tax (includes MAT credit)		237.06	264.52
<b>Total income tax expense</b>		<b>370.12</b>	<b>363.95</b>
<b>Profit for the year</b>		<b>442.25</b>	<b>248.91</b>
<b>Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement gains / (losses) of defined benefit obligations	20.1	4.69	5.04
Income tax on above item(s)	10	(1.37)	(0.43)
		<b>3.32</b>	<b>4.61</b>
<b>(ii) Items that may be reclassified to profit or loss</b>			
Effect of change in functional currency of foreign operations		4.46	(29.24)
Income tax on above item(s)		-	-
		<b>4.46</b>	<b>(29.24)</b>
<b>Other comprehensive income for the year (i + ii)</b>		<b>7.78</b>	<b>(24.63)</b>
<b>Total comprehensive income for the year</b>		<b>450.03</b>	<b>224.28</b>
Earnings per Equity Share of Rs.10 each			
Basic		14.43	8.13
Diluted		14.43	8.13
Weighted average equity shares used in computing earnings per share			
Basic		30,640,345	30,598,687
Diluted		30,640,345	30,598,687
The accompanying policies and notes form an integral part of the financial statements			
Significant Accounting Policies, Judgments and Estimates	1-4		
Notes on Financial Statements	5-35		

As per our report annexed

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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

# STATEMENT OF CHANGES IN OTHER EQUITY

## FOR THE YEAR ENDED MARCH 31, 2021

### a. Equity Share Capital

	Nos. in Mln.	Rs. Mln.
Equity shares of Rs.10 each issued, subscribed and fully paid		
<b>Balance as at April 01, 2019</b>	30.59	306.28
Changes in Equity Share Capital during FY 2019-20 (refer note no.12)	0.01	0.11
<b>Balance as at March 31, 2020</b>	<b>30.60</b>	<b>306.39</b>
Changes in Equity Share Capital during FY 2020-21 (refer note no.12)	0.11	1.10
<b>Balance as at March 31, 2021</b>	<b>30.71</b>	<b>307.49</b>

### b. Other Equity for the year ended March 31, 2021

Particulars	Share application money pending allotment	Reserves & Surplus		Retained earnings	Items of OCI		Total other equity
		Securities premium	Employee stock options outstanding		Currency translation reserve		
<b>As at April 01, 2020</b>	-	6,585.58	274.12	1,167.74	(34.76)	7,992.68	
Profit for the period	-	-	-	442.25	-	442.25	
Other comprehensive income (OCI) / (losses)							
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	3.31	-	3.31	
(b) Exchange difference on translation of foreign operations	-	-	-	-	4.46	4.46	
<b>Total comprehensive income / (losses)</b>	-	<b>6,585.58</b>	<b>274.12</b>	<b>1,613.30</b>	<b>(30.30)</b>	<b>8,442.70</b>	
Subscription to stock option schemes	-	-	-	-	-	-	
Issue of share capital	-	18.15	-	-	-	18.15	
Transfer on exercise of stock options	-	29.93	(29.93)	-	-	-	
Share based payments for options granted	-	-	(4.14)	-	-	(4.14)	
<b>As at March 31, 2021</b>	-	<b>6,633.66</b>	<b>240.05</b>	<b>1,613.30</b>	<b>(30.30)</b>	<b>8,456.71</b>	
<b>Other Equity for the year ended March 31, 2020</b>							
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)	
<b>Total comprehensive income / (losses)</b>	0.54	<b>6,580.62</b>	<b>269.32</b>	<b>1,167.74</b>	<b>(34.76)</b>	<b>7,983.46</b>	
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	
<b>As at March 31, 2020</b>	-	<b>6,585.58</b>	<b>274.12</b>	<b>1,167.74</b>	<b>(34.76)</b>	<b>7,992.68</b>	

\* In accordance with Ind AS, remeasurement gains / (losses) on defined benefit obligations recognized 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.: 0012085

**P R VENKETRAMA RAJA**

Chairman

Rajapalayam

**P V ABINAV RAMASUBRAMANIAM RAJA**

Whole Time Director

Rajapalayam

**K SRINIVASAN**

Partner

Membership No.: 021510

Tiruchirappalli

Date : May 25, 2021

**SOUNDARA KUMAR**

Director

Coimbatore

**R RAVI KULA CHANDRAN**

Chief Financial Officer

Chennai

**N EVIJAYA RAGHAVAN**

Company Secretary

Chennai

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>812.37</b>	612.86
Adjustments for :		
Depreciation and impairment of property, plant and equipment (PPE)	<b>64.69</b>	64.05
Amortization and impairment of intangible assets	<b>481.82</b>	456.67
Leased assets - Depreciation, impairment and finance costs	<b>133.32</b>	141.67
Share based payment expense accrual	<b>(4.14)</b>	9.18
(Profit) / loss on sale of PPE (net)	<b>0.71</b>	0.68
Bad debts / provision for doubtful debts & advances, net	<b>93.54</b>	19.86
Remeasurement of defined benefit obligations	<b>4.69</b>	5.04
Effect of exchange difference on translation of deferred tax & fixed assets	-	0.01
Effect of change in foreign currency translation reserve	<b>4.46</b>	(29.24)
Unrealized exchange (gain) / loss	<b>(1.87)</b>	(162.18)
Finance and investment income	<b>(89.06)</b>	(125.70)
Finance costs	<b>25.31</b>	51.25
<b>Operating profit before working capital / other changes</b>	<b>1,525.84</b>	<b>1,044.15</b>
Adjustments for :		
Increase / (decrease) in provisions	<b>(0.78)</b>	4.90
Increase / (decrease) in trade and other payables	<b>63.51</b>	99.25
Increase / (decrease) in other current liabilities	<b>106.95</b>	60.36
(Increase) / decrease in trade and other receivables	<b>(253.91)</b>	(153.85)
<b>Cash generated from operations</b>	<b>1,441.61</b>	1,054.81
Income tax paid	-	(2.41)
<b>Net cash flow from operating activities (A)</b>	<b>1,441.61</b>	<b>1,052.40</b>
<b>B. Cash flow from investing activities:</b>		
Addition to tangible / Intangible assets	<b>(686.28)</b>	(575.79)
Proceeds from sale of PPE	<b>1.01</b>	1.31
Loans to subsidiaries (net)	<b>200.03</b>	(716.90)
Loan to other parties	-	-
Advance for issue of shares (refer note no. 8)	<b>(6.42)</b>	-
Short term fixed deposits placed with Banks	<b>(0.09)</b>	(0.09)
Interest income on loans and deposits	<b>81.53</b>	115.69
<b>Net cash used in investing activities (B)</b>	<b>(410.22)</b>	<b>(1,175.78)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of Share Capital on account of issue of shares under Employee Stock Option Plans	<b>19.25</b>	0.69
Proceeds from long term borrowings	-	100.00
Proceeds from short term borrowings	<b>1,611.69</b>	3,701.90
Repayment of long term borrowings	<b>(100.00)</b>	-
Repayment of short term borrowings	<b>(2,438.72)</b>	(3,677.86)
Payment of lease liabilities	<b>(115.17)</b>	(116.52)
Finance income	<b>7.52</b>	10.01
Finance costs paid	<b>(25.31)</b>	(51.25)
<b>Net cash from financing activities (C)</b>	<b>(1,040.74)</b>	<b>(33.03)</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Rs. Min.	Rs. Min.
<b>Net increase / (decrease) in cash and cash equivalents [A+B+C]</b>	<b>(9.35)</b>	<b>(156.41)</b>
<b>Effect of unrealized exchange (gain) / loss</b>	<b>1.87</b>	<b>162.18</b>
<b>Net cash generated / (used in) for the year</b>	<b>(7.48)</b>	<b>5.77</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>30.84</b>	<b>25.07</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>23.36</b>	<b>30.84</b>
<b>Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings:</b>		
<b>Balance at the beginning of the year</b>		
Long term borrowings	66.67	-
Short term borrowings	827.03	802.99
Current maturities of long term debt	33.33	-
<b>Sub total</b>	<b>927.03</b>	<b>802.99</b>
<b>Cash flows during the year</b>		
Movement in long term borrowings		
Proceeds	-	100.00
Repayment	(100.00)	-
Movement in short term borrowings		
Proceeds	1,611.69	3,701.90
Repayment	(2,438.72)	(3,677.86)
Interest and finance charges on loans	25.31	51.25
Interest and finance charges on loans paid	(25.31)	(51.25)
<b>Sub total</b>	<b>(927.03)</b>	<b>124.04</b>
<b>Balance at the end of the year</b>		
Long term borrowings	-	66.67
Short term borrowings	-	827.03
Current maturities of long term debt	-	33.33
<b>Sub total</b>	<b>-</b>	<b>927.03</b>

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  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

**P V ABINAV RAMASUBRAMANIAM RAJA**  
Whole Time Director  
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**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
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**K SRINIVASAN**  
Partner  
Membership No.: 021510

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

# NOTES TO SEPARATE (STANDALONE) FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021

### 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 May 25, 2021.

### 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, 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 instruments and defined benefit plan assets, share based payments that are measured at fair values or at amortized 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 recognizes 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 recognized in Other Comprehensive Income.

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

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

All other assets are classified as non-current.

#### 2.5 A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

- 2.7 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.
- 2.8 The financial statements are presented in Indian Rupees rounded to the nearest million ("Mln.") 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

##### b. Revenue recognition

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 recognized 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 recognize 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) recognize 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 judgment 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 recognized

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognizing 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 customization of the underlying software, revenue is recognized 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 recognized 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 recognized 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 customized software, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

#### (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 recognized at the point of time at which the subsidiaries recognize 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 recognized 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 customized 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 recognized using the percentage of completion method as the implementation services are performed.

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

When total cost estimates exceed revenues in an arrangement, the estimated losses

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

are recognized 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 recognized 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 standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized 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 recognized as revenue as the related services are performed.

(3) **Revenue from Resale of Hardware & Software**

Revenue from sale of traded hardware / software is recognized 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 recognized on accrual basis.

The imputed interest attributable to arrangements having extended credit period is eliminated from the revenue from operations and accounted as interest over the credit period.

**d. 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 recognized as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified



## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

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

Deferred tax is recognized using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. 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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

### 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 capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

When assets are acquired on Hire Purchase these are capitalized at the gross value and interest thereon charged to statement of profit and loss.

Depreciation in the books of the Company is charged on a pro-rata basis on the Straight Line Method as prescribed under Schedule II of the Companies Act, 2013 over the useful life of the assets.

The useful lives of various assets used by the Company are tabled below:

Asset type	Useful life in years
Building	60
Laptops and desktops	3
Servers and networks	6
Furniture and fixtures	10
Office equipments	5
Electrical items	10
Vehicles	8

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

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 Company's lease asset classes primarily consist of leases for land, buildings and office equipments.

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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognizes 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 recognizes 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 recognized, 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 recognizes 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 recognized

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 to be of low value. Lease payments on short term leases and leases of low-value assets are recognized 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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all 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 capitalized software development costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets of the Company are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from 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 recognized in the

statement of profit or loss when the asset is de-recognized.

### Software development costs

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

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

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

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

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

### Patents

Company is filing patent applications and costs incurred for filing the patent application like consultancy and filing fees are capitalized upon grant of Patents.

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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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

### h. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalization by applying capitalization rate to the expenditure incurred on such cost. The capitalization rate determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

### i. Inventories

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

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 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 recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss.

### k. Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are neither recognized nor disclosed.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### I. Employee benefits expense

#### Short term employee benefits

Short term employee benefits viz., salaries, wages and other benefits are recognized as expenses at the undiscounted amount as per contractual terms in the statement of profit and loss for the year in which the related service is rendered.

#### Defined contribution plans

##### Superannuation

The senior officers of the Company have been given an option to participate in Defined Contribution Plan ("The Superannuation Plan") maintained by the Life Insurance Corporation of India. For those who opt to participate, the Company makes contributions not exceeding Rupees one lakh fifty thousand per annum, based on specified percentage of basic salary of each covered employee. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contribution / payments.

##### National pension system

The employees of the Company have been given an option to participate in a defined contribution plan ("National Pension System"), maintained by the fund managers approved by the Pension Fund Regulatory and Development Authority. For those who opt to participate, the Company makes contributions equal to 10% of the covered employee's basic salary. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contribution / payments.

##### Provident fund

In addition to the above benefits, all employees receive benefits from a Provident fund, which is defined contribution plan. Both the employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's basic salary. These contributions are made to the employees' provident fund maintained by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

### Defined benefit plans

#### Gratuity

In accordance with the Indian Law, the Company provides for gratuity, a defined benefit plan ("The Gratuity Plan"), covering all employees. The employees are covered under the Company Gratuity Scheme of the Life Insurance Corporation of India. The liability for Gratuity is ascertained as at the end of the financial year, based on the actuarial valuation by an independent external actuary as at the Balance Sheet date using the "projected unit credit method".

Remeasurement of net defined benefit asset / liability comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the consolidated statement of profit and loss.

#### Leave encashment

The Company has a policy of providing encashment of unavailed leave for its employees. The obligation for the leave encashment is recognized based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognized in the statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

### 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 recognized amounts and intends either to settle on a net basis or to realize 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 categorized as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognized gains, losses including impairment gains or losses or interest.

### Financial assets

- 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) Amortized cost; or
  - b) Fair value through other comprehensive income (FVTOCI); or
  - c) Fair value through profit or loss (FVTPL).

Amortized 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
Amortized 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 realize 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
Amortized 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.

- 7 Financial assets are de-recognized (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-recognizes when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
  - a) significant risk and rewards of the financial asset, or
  - b) control of the financial asset.

However, the Company continue to recognize 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 recognized 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognizing 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
Amortized 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-recognized 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 recognized 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 recognizes a liability to make cash dividend, when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity including applicable taxes.

### 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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

date is the date on which the options are granted. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The ex-modification fair value is recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognized over the vesting period remaining after the modification date.

### Graded vesting options

If the options vest in 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 recognized in the statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing Earnings Per Share.

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares.

### 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 Recent pronouncements

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, 2021 to the Company.

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013, which deals with the presentation of financial statements. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. The Company will evaluate the same to give effect to them as required by law.

The Government of India had enacted The Code on Wages 2019, The Industrial Relations Code 2020, The Occupational Safety, Health & Working Conditions Code 2020 and The Social Security Code 2020, subsuming various existing labour and industrial laws, but the effective date is yet to be notified. The impact of the legislative changes If any will be assessed and recognized post notification of relevant provisions.

## 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 recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

The Company has considered the possible effects that may result from the continuance of 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 / judgment in preparation and presentation of financial statements:



## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 / amortization / 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 / recognized, 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 judgment 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.

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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 judgment 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 customization 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Rs. Mln.							
	Building	Laptops and Desktops	Servers and Networks	Furniture and fixtures	Office Equipments	Electrical Items	Vehicles	Total
<b>Gross Carrying value</b>								
<b>As at April 01, 2019</b>	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
<b>As at March 31, 2020</b>	3.12	152.28	149.10	26.08	64.37	15.27	36.01	446.23
Additions	-	43.89	11.97	0.07	1.32	0.10	6.00	63.35
Disposals	-	(0.05)	-	-	-	(0.10)	(4.44)	(4.59)
Exchange difference	-	0.01	-	-	-	-	-	0.01
<b>As at March 31, 2021</b>	3.12	196.13	161.07	26.15	65.69	15.27	37.57	505.00
<b>Depreciation</b>								
<b>As at April 01, 2019</b>	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
<b>As at March 31, 2020</b>	1.94	113.22	69.41	13.18	48.40	10.06	20.46	276.67
For the year	0.05	28.94	21.93	2.31	6.67	1.08	3.71	64.69
Disposals	-	(0.05)	-	-	-	(0.05)	(2.76)	(2.86)
Exchange difference	-	0.03	-	(0.01)	(0.02)	-	-	-
<b>As at March 31, 2021</b>	1.99	142.14	91.34	15.48	55.05	11.09	21.41	338.50
<b>Carrying value</b>								
<b>As at March 31, 2020</b>	1.18	39.06	79.69	12.90	15.97	5.21	15.55	169.56
<b>As at March 31, 2021</b>	1.13	53.99	69.73	10.67	10.64	4.18	16.16	166.50

## 6. RIGHT-OF-USE ASSETS

Particulars	Rs. Mln.			
	Building	Land	Office Equipments	Total
<b>Gross Carrying value</b>				
<b>As at April 01, 2019</b>	626.82	19.04	2.43	648.29
Additions	5.62	-	-	5.62
Disposals	-	-	-	-
Exchange difference	0.54	-	-	0.54
<b>As at March 31, 2020</b>	632.98	19.04	2.43	654.45
Additions	1.75	-	1.59	3.34
Disposals	(11.46)	-	-	(11.46)
Exchange difference	0.01	-	-	0.01
<b>As at March 31, 2021</b>	623.28	19.04	4.02	646.34
<b>Depreciation</b>				
<b>As at April 01, 2019</b>	-	-	-	-
For the year	78.97	4.77	1.62	85.36
Disposals	-	-	-	-
Exchange difference	0.19	-	-	0.19
<b>As at March 31, 2020</b>	79.16	4.77	1.62	85.55
For the year	76.57	4.76	1.68	83.01
Disposals	(6.44)	-	-	(6.44)

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 6. Right-of-use assets (Contd.)

Particulars	Rs. Mln.			
	Building	Land	Office Equipments	Total
Exchange difference	-	-	-	-
<b>As at March 31, 2021</b>	<b>149.29</b>	<b>9.53</b>	<b>3.30</b>	<b>162.12</b>
<b>Carrying value</b>				
<b>As at March 31, 2020</b>	<b>553.82</b>	<b>14.27</b>	<b>0.81</b>	<b>568.90</b>
<b>As at March 31, 2021</b>	<b>473.99</b>	<b>9.51</b>	<b>0.72</b>	<b>484.22</b>

### 7. INTANGIBLE ASSETS

Particulars	Rs. Mln.				
	Technology Platform	Product Software	Patents	Computer Software	Total
<b>Gross Carrying value</b>					
<b>As at April 01, 2019</b>	<b>1,595.09</b>	<b>4,209.88</b>	<b>14.23</b>	<b>185.88</b>	<b>6,005.08</b>
Additions	94.85	379.52	-	33.72	508.09
Deletions	-	-	-	(39.08)	(39.08)
<b>As at March 31, 2020</b>	<b>1,689.94</b>	<b>4,589.40</b>	<b>14.23</b>	<b>180.52</b>	<b>6,474.09</b>
Additions	103.23	494.06	-	25.64	622.93
Deletions	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>1,793.17</b>	<b>5,083.46</b>	<b>14.23</b>	<b>206.16</b>	<b>7,097.02</b>
<b>Amortization</b>					
<b>As at April 01, 2019</b>	<b>979.31</b>	<b>2,446.19</b>	<b>10.56</b>	<b>136.17</b>	<b>3,572.23</b>
For the year	108.31	318.94	1.27	28.15	456.67
Impairment loss	-	-	-	(39.08)	(39.08)
<b>As at March 31, 2020</b>	<b>1,087.62</b>	<b>2,765.13</b>	<b>11.83</b>	<b>125.24</b>	<b>3,989.82</b>
For the year	112.28	339.46	0.65	29.43	481.82
Impairment loss	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>1,199.90</b>	<b>3,104.59</b>	<b>12.48</b>	<b>154.67</b>	<b>4,471.64</b>
<b>Carrying value</b>					
<b>As at March 31, 2020</b>	<b>602.32</b>	<b>1,824.27</b>	<b>2.40</b>	<b>55.28</b>	<b>2,484.27</b>
<b>As at March 31, 2021</b>	<b>593.27</b>	<b>1,978.87</b>	<b>1.75</b>	<b>51.49</b>	<b>2,625.38</b>

- 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.

### 8. INVESTMENT IN SUBSIDIARIES

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Equity investments in subsidiaries measured at deemed cost, long term, trade, unquoted</b>		
192,729,550 Shares in Ramco Systems Corporation, USA of paid-up value of USD 0.0145 each (as at March 31, 2020 192,729,550 Shares @ USD 0.0145 each)	<b>743.41</b>	743.41
1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (as at March 31, 2020 1,400,000 Shares CHF 1 each)	<b>441.70</b>	441.70

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 8. Investment in subsidiaries (Contd.)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Rs. Mln.	Rs. Mln.
31,135,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at March 31, 2020 31,135,000 Shares @ SGD 1 each)	1,511.74	1,511.74
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (as at March 31, 2020 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, 2020 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, 2020 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, 2020 16,393,000 Shares @ AUD 1 each)	795.24	795.24
100,000 Shares in R S L Software Co. Ltd., Sudan, of SDG 1 each (as at March 31, 2020 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, 2020 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, 2020 1,000,000 Shares @ CNY 1 each)	10.41	10.41
5,625,000 Shares in Ramco System Vietnam Company Limited, Vietnam of face value of VND 1000 each (as at March 31, 2020 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, 2020 3,375,000 Shares @ IDR 1000 each)	16.28	16.28
Aggregate value of unquoted investments	3,672.60	3,672.60
Aggregate amount of impairment in value of investments	-	-

Note:

- The Company has opted to use previous GAAP carrying amount as 'Deemed cost' for the investments in subsidiaries.
- Ramco Software Japan Limited has been established in Japan as a Wholly Owned Subsidiary (WOS) of the Company on April 01, 2021. However, as per the local regulations in Japan, the share capital of JPY 9.50 Mln. Rs. 6.42 Mln. was remitted on March 25, 2021 in advance, before incorporation. This amount has been disclosed as advance for issue of shares under note no. 9.4.

## 9. FINANCIAL ASSETS

### 9.1 Loans

Current		
<b>Unsecured, considered good</b>		
Loans receivables - subsidiaries	848.65	1,048.68

Loans receivables are non-derivative financial assets and are carried at amortized cost.

Loans receivables – subsidiaries carry an interest rate of 8.75% p.a. (previous year 8.75% p.a) and are repayable on demand.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 9.2 Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Rs. Mln.	Rs. Mln.
2,335 Shares in SmartMegh Solutions Private Limited, India of face value of Rs.10 each (as at March 31, 2020 2,335 Shares @ Rs.10 each)	15.00	15.00
Aggregate value of unquoted investment	15.00	15.00
Aggregate amount of impairment in value of investment	-	-

### 9.3 Trade receivables

Non-current		
Unsecured, considered good		
Trade receivables - other than related parties	-	5.40
Unsecured, considered doubtful		
Trade receivables - other than related parties	29.98	56.73
	29.98	62.13
Less: Allowance for impairment loss	29.98	56.73
	-	5.40
Current		
Unsecured, considered good		
Trade receivables - subsidiaries (refer note no.26)	692.03	954.62
Trade receivables - other related parties	-	0.94
Trade receivables - other than related parties	495.72	406.81
	1,187.75	1,362.37
Less: Allowance for impairment loss	12.36	7.08
	1,175.39	1,355.29

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, terms and conditions relating to related parties, refer note no.26.

### 9.4 Other financial assets

Non-current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	286.22	52.65
Unbilled royalty revenue - subsidiaries (refer note no.26)	79.80	63.19
Security deposit	16.64	19.52
Employee advances	0.24	0.52
Advance for issue of shares (refer note no.8)	6.42	-
Unsecured, considered doubtful		
Unbilled license revenue - other than related parties	19.18	33.12
	408.50	169.00
Less: Allowance for impairment loss	19.26	33.12
	389.24	135.88

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 9.4 Other financial assets (Contd.)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Current</b>		
<b>Unsecured, considered good</b>		
Unbilled license revenue - other than related parties	115.17	139.49
Unbilled royalty revenue - subsidiaries (refer note no.26)	111.86	67.42
Security deposit	4.59	3.71
Insurance claims receivable	8.00	18.20
Employee advances	4.77	17.73
Foreign currency forward contract	-	4.93
Bank deposits held as margin money	3.07	2.98
Balance with Banks in share issue accounts	0.09	0.09
	<b>247.55</b>	<b>254.55</b>
Less: Allowance for impairment loss	6.65	3.33
	<b>240.90</b>	<b>251.22</b>

## 9.5 Cash and cash equivalents

Cash on hand	0.26	0.26
Balances with Banks in Current Account	23.10	30.58
	<b>23.36</b>	<b>30.84</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

## 10. TAXES

## (a) Deferred tax (asset) / liability

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rs. Mln.			
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	734.44	699.74	34.70	(135.11)
Tax impact on unutilized carry forward losses	(295.86)	(512.21)	216.35	169.25
Tax effect of provision for gratuity	(4.42)	(4.53)	0.11	3.25
Tax effect of provision for compensated absences	(19.65)	(18.00)	(1.65)	2.60
Tax effect of provision for bad and doubtful debts / advances	(39.20)	(46.19)	6.99	6.15
Tax impact on all other items	(8.43)	(4.00)	(4.43)	(1.94)
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	8.00	6.63	1.37	0.43
<b>Deferred tax (asset) / liability (net)</b>	<b>374.88</b>	<b>121.44</b>		
<b>Deferred tax (income) / expense (net)</b>			<b>253.44</b>	<b>44.63</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 10. Taxes (Contd.)

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

Rs. Mln.

Particulars	Balance sheet as at	
	March 31, 2021	March 31, 2020
<b>i) Deferred tax (asset) / liability</b>		
<b>Opening balance</b>	121.44	76.81
Deferred tax (income) / expense during the year recognized in Statement of Profit and Loss	252.07	44.20
Deferred tax (income) / expense during the year recognized in OCI	1.37	0.43
<b>Closing balance</b>	374.88	121.44
<b>ii) MAT credit</b>		
<b>Opening balance</b>	(550.55)	(451.12)
MAT credit for the current / previous year(s)	(133.06)	(99.43)
<b>Closing balance</b>	(683.61)	(550.55)
<b>iii) Provision for MAT credit *</b>		
<b>Opening balance</b>	319.75	-
Provision for FY 2017-18 & FY 2018-19	-	239.71
Provision for the current / previous year(s)	118.05	80.04
<b>Closing balance</b>	437.80	319.75
<b>Total deferred tax (asset) / liability (i + ii + iii)</b>	129.07	(109.36)

\* 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 filed a Writ petition challenging the said proviso in the Honorable High Court of Madras. The Company will continue to make provision for such MAT credit availed, until disposal of the case.

#### (c) Components of tax expenses

Rs. Mln.

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
<b>i) Statement of profit and loss</b>		
<b>Current tax</b>		
Current Income Tax charge (including MAT)	133.06	99.43
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	252.07	44.20
MAT credit for the current / previous year(s)	(133.06)	(99.43)
Provision for MAT credit (refer note no.10(b)(iii) above)	118.05	319.75
<b>Total tax (income) / expenses reported in statement of profit and loss</b>	370.12	363.95
<b>ii) Other comprehensive income (OCI)</b>		
Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	1.37	0.43
<b>Total tax (income) / expense (net)</b>	1.37	0.43
<b>iii) Total tax (income) / expense reported in the total comprehensive income</b>	371.49	364.38



## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 10. Taxes (Contd.)

(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:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Accounting profit before tax	812.37	612.86
Less: Adjustment from carry forward losses	812.37	612.86
Corporate tax rate %	29.12%	29.12%
<b>Computed tax expense</b>	-	-
<b>Increase / (reduction) in taxes on account of:</b>		
MAT on above mentioned accounting profit before tax	141.94	107.08
Tax adjustments of earlier years	0.43	(2.64)
Non-deductible expenses	18.60	2.42
Additional allowances / deductions for tax purposes	(27.91)	(7.43)
	<b>133.06</b>	<b>99.43</b>
Deferred tax income / (expense) recognition during the year	252.07	44.20
MAT credit for the current / previous year(s)	(133.06)	(99.43)
Provision for MAT credit (refer note no.10(b)(iii) above)	118.05	319.75
<b>Tax (income) / expense reported in the statement of profit and loss</b>	<b>370.12</b>	<b>363.95</b>
<b>Tax (income) / expense reported in the other comprehensive income</b>	<b>1.37</b>	<b>0.43</b>

## 11. OTHER ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	0.25	0.45
Advance to suppliers and service providers #	33.10	68.00
Unbilled services revenue	2.89	-
<b>Unsecured, considered doubtful</b>		
Unbilled services revenue	30.38	54.47
	<b>66.62</b>	<b>122.92</b>
Less: Allowance for impairment loss	60.38	54.47
	<b>6.24</b>	<b>68.45</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	40.31	43.39
Advance to suppliers and service providers *#	66.13	25.33
Unbilled services revenue	345.89	314.77
Statutory advances	30.24	44.91
	<b>482.57</b>	<b>428.40</b>
Less: Allowance for impairment loss	5.97	3.88
	<b>476.60</b>	<b>424.52</b>

\* Includes prepayment to Gratuity fund Rs.13.07 Mln., (previous year Rs.14.45 Mln.) (refer note no.20.1).

# Advance to suppliers and service providers are given in the normal course of business and adjusted against subsequent supplies / services.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.		Rs. Mln.	
<b>Authorised share capital</b>				
50,000,000 (as at March 31, 2020 - 50,000,000) Equity Shares of Rs.10 each		<b>500.00</b>		500.00
<b>Issued and subscribed capital</b>				
31,063,260 (as at March 31, 2020 - 30,952,359) Equity Shares of Rs.10 each		<b>310.63</b>		309.52
<b>Paid-up capital</b>				
30,714,082 (as at March 31, 2020 - 30,603,181) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)		<b>307.49</b>		306.39
		<b>307.49</b>		<b>306.39</b>

#### 12.1 The reconciliation of share capital

Particulars	FY 2020-21		FY 2019-20	
	No. of shares	Rs. Mln.	No. of shares	Rs. Mln.
At the beginning of the year	<b>30,603,181</b>	<b>306.39</b>	30,592,822	306.28
Addition during the year under employee stock option schemes	<b>110,901</b>	<b>1.10</b>	10,359	0.11
At the end of the year	<b>30,714,082</b>	<b>307.49</b>	<b>30,603,181</b>	<b>306.39</b>

#### 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, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
P R Venketrama Raja	<b>3,353,366</b>	<b>10.92</b>	3,353,366	10.96
Ramco Industries Limited	<b>5,467,376</b>	<b>17.80</b>	5,467,376	17.87
The Ramco Cements Limited	<b>5,417,810</b>	<b>17.64</b>	5,417,810	17.70
HDFC Trustee Company Limited - HDFC Equity Fund & A/C HDFC Balanced Advantage Fund	<b>2,453,360</b>	<b>7.99</b>	2,247,400	7.34
Reliance Capital Trustee Company Limited - A/C Nippon India Small Cap Fund A/C Nippon India Retirement Fund - Wealth Creation Scheme	<b>NA</b>	<b>NA</b>	1,704,031	5.57

#### 12.4 Other details

Number of non-resident shareholders	<b>567</b>	343
Number of shares held by the non-resident shareholders	<b>530,524</b>	663,484
Dividend remitted in foreign currency	<b>Nil</b>	Nil

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 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, and the summary of pending is provided below:

Name of Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2021		As at March 31, 2020	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2008	51	30,883	1.58	31,303	1.60
	119	10,492	1.25	11,807	1.41
	83	431	0.04	11,807	0.98
	230	16,785	3.86	26,228	6.03
	194	17,835	3.46	17,835	3.46
ESOS 2009 - Plan A	90	16,415	1.48	19,018	1.71
	110	9,440	1.04	9,440	1.04
	356	78,625	27.99	85,125	30.30
ESOS 2009 - Plan B	90	44,137	3.97	49,894	4.49
	10	22,375	0.22	29,308	0.29
	356	59,593	21.22	73,967	26.33
ESOS 2013	356	56,597	20.15	61,222	21.80
	155	186,899	28.97	224,354	34.77
	10	9,309	0.09	10,245	0.10
	482	32,125	15.48	32,125	15.48
	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	2,250	0.69	12,874	3.95
	613	6,875	4.21	13,125	8.05
	ESOS 2014	1066	11,250	11.99	11,250
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	5,000	1.73
690		2,500	1.73	2,500	1.73
10		64,051	0.64	53,950	0.54
222		-	-	1,124	0.25
257		-	-	748	0.19
351		4,000	1.40	4,000	1.40
377		6,775	2.55	10,575	3.99
443		1,250	0.54	1,250	0.55
513		1,250	0.64	1,250	0.64
701		2,000	1.40	2,000	1.40
753		5,250	3.95	6,000	4.52
184		5,000	0.92	5,000	0.92
193		10,000	1.93	10,000	1.93
214		2,500	0.54	7,500	1.61
228		17,500	3.99	17,500	3.99

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 12.5 Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts (Contd.)

Name of Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2021		As at March 31, 2020	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2014	277	9,498	2.63	12,500	3.46
	367	2,500	0.92	2,500	0.92
	385	5,000	1.93	5,000	1.93
	427	1,250	0.53	3,750	1.60
	455	8,750	3.98	8,750	3.98
	553	6,250	3.46	6,250	3.46
	163	15,000	2.44	17,375	2.83
	186	15,000	2.79	20,000	3.72
	326	7,500	2.45	8,688	2.83
	372	7,500	2.79	10,000	3.72
	80	-	-	12,500	1.00
	160	-	-	6,250	1.01
	181	5,000	0.90	-	-
	361	2,500	0.90	-	-
	290	5,000	1.45	-	-
580	2,500	1.46	-	-	
<b>Total</b>		<b>912,640</b>	<b>236.47</b>	<b>1,052,887</b>	<b>267.80</b>

Further details of the above Schemes can be obtained from ANNEXURE II to the Board's Report

### 13. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
Securities premium	6,633.66	6,585.58
Currency translation reserve	(30.30)	(34.76)
Employee stock options outstanding	240.05	274.12
Retained earnings	1,613.30	1,167.74
	<b>8,456.71</b>	<b>7,992.68</b>

Refer statement of changes in equity for movement.

#### Nature and purpose of reserves

##### Securities premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued.

##### Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e., Currency Units) are recognized 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 recognize the grant date fair value of options issued to employees under various employees stock option schemes of the Company.

##### Retained earnings

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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 14. FINANCIAL LIABILITIES

## 14.1 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Non-current</b>		
<b>Term loans from Banks, secured</b>		
Axis Bank Limited	-	66.67

This loan was 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. as at March 31, 2020. The interest rate is reset on yearly basis. The term loan was repayable in equal half yearly instalments on various dates as per the grouped maturity profile given below:

Repayment due in	No. of installments	Rs. Mln.
FY 2020-21	2	33.33
FY 2021-22	2	33.33
FY 2022-23	2	33.34
	<b>6</b>	<b>100.00</b>
Less: transferred to current maturities of long term loans	2	33.33
<b>Balance shown here</b>	<b>4</b>	<b>66.67</b>

Of the above, Rs.33.33 Mln. being the current maturities of the long term loan, repayable in FY 2020-21 was shown under other current liabilities as on March 31, 2020 in note no.14.4. The entire loan of Rs.100.00 Mln. was prepaid during the year.

<b>Current</b>		
<b>Loans repayable on demand from Banks, secured</b>		
Axis Bank Limited - Cash credit	-	12.65
<b>Loans from Banks, secured</b>		
Axis Bank Limited	-	150.00
IDBI Bank Limited	-	100.00
<b>Loans from Banks, unsecured</b>		
Kotak Mahindra Bank Limited	-	349.38
HDFC Bank Limited	-	215.00
	-	<b>827.03</b>

## 1. Security details

Loans from Axis Bank Limited are secured by pari passu first charge on the current assets, both present and future of the Company.

Loans from IDBI Bank Limited are secured by pari passu first charge on the receivables (i.e., trade receivables, both current and non-current), both present and future of the Company.

## 2. Interest rate

Above loans from Banks were in the form of Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WCDL) 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.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 14.2 Leases (Contd.)

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, 2021 are as follows:

Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2020	553.82	14.27	0.81	568.90
Additions during the year	1.75	-	1.59	3.34
Deletions during the year - net	(5.02)	-	-	(5.02)
Depreciation charge for the year	(76.57)	(4.76)	(1.68)	(83.01)
Foreign exchange	0.01	-	-	0.01
<b>As at March 31, 2021</b>	<b>473.99</b>	<b>9.51</b>	<b>0.72</b>	<b>484.22</b>

b) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2020 are as follows:

Rs. Mln.

Particulars	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	0.35	-	-	0.35
<b>As at March 31, 2020</b>	<b>553.82</b>	<b>14.27</b>	<b>0.81</b>	<b>568.90</b>

c) The movement in lease liabilities during the year ended March 31, 2021 are as follows:

Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2020	577.71	15.57	0.77	594.05
Additions during the year	1.75	-	1.59	3.34
Deletions during the year	(5.31)	-	-	(5.31)
Interest expense	49.33	1.23	0.04	50.60
Lease payments	(107.92)	(5.55)	(1.71)	(115.18)
Foreign exchange	0.02	-	-	0.02
<b>As at March 31, 2021</b>	<b>515.58</b>	<b>11.25</b>	<b>0.69</b>	<b>527.52</b>

d) The movement in lease liabilities during the year ended March 31, 2020 are as follows:

Rs. Mln.

Particulars	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	0.31	-	-	0.31
<b>As at March 31, 2020</b>	<b>577.71</b>	<b>15.57</b>	<b>0.77</b>	<b>594.05</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 14.2 Leases (Contd.)

The break-up of current and non-current lease liabilities are as follows:

Rs. Mln.

Particulars	As at March 31, 2021	As at March 31, 2020
Current	67.98	66.82
Non-current	459.54	527.23
	<b>527.52</b>	<b>594.05</b>

e) The following are the amounts recognized in profit or loss for the year ended:

Rs. Mln.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	83.01	85.37
Interest expense on lease liabilities	50.60	56.31
Expense relating to short term leases (included in Other expenses)	1.43	2.17
Expense relating to leases of low-value assets (included in Other expenses)	-	0.81
Variable lease payments (included in Other expenses)	0.08	0.52
Rent concessions	(0.72)	-
(Gain) / loss on lease termination	(0.29)	-
Total amount recognized in profit or loss	<b>134.11</b>	<b>145.18</b>

Note: The Company has applied the practical expedient to all rent concessions that meet the conditions.

f) The Company had total cash outflows for leases of during the year ended March 31, 2021 of Rs.116.45 Mln. (Previous year Rs. 120.02 Mln.).

g) The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Rs. Mln.

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	112.55	117.39
1 to 5 years	461.49	404.18
More than 5 years	145.35	315.03
	<b>719.39</b>	<b>836.60</b>

## 14.3 Trade payables

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
<b>Non-current</b>		
Total outstanding dues of creditors, other than micro and small enterprises	31.78	-
	<b>31.78</b>	-
<b>Current</b>		
Total outstanding dues of micro and small enterprises	9.29	17.11
	<b>9.29</b>	<b>17.11</b>
Total outstanding dues of creditors, other than micro and small enterprises		
Trade payables - subsidiaries (refer note no.26)	74.28	66.44
Trade payables - other related parties (refer note no.26)	-	2.69
Trade payables - others	207.25	172.85
	<b>281.53</b>	<b>241.98</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 14.3 Trade payables (Contd.)

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

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.		Rs. Mln.	
	Principal	Interest	Principal	Interest
Amount due	9.29	-	17.11	-
Principal amount paid (includes unpaid) beyond the appointed date	NA	-	NA	-
Interest due and payable for the year	NA	-	NA	-
Interest accrued and remaining unpaid (includes interest disallowable of Nil (Previous year 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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.		Rs. Mln.	
<b>Current</b>				
Capital creditors		30.78		14.33
Current maturities of long term loans (refer note no.14.1)		-		33.33
Rental advances		0.30		0.50
Foregin currency forward contract		-		2.23
Employee welfare payables		2.54		2.54
		<b>33.62</b>		<b>52.93</b>

## 15. PROVISIONS

<b>Non-current</b>				
Provision for gratuity (refer note no.20.1)		0.75		6.98
Provision for leave encashment and other retirals (refer note no.15.1)		62.18		57.31
		<b>62.93</b>		<b>64.29</b>
<b>Current</b>				
Provision for gratuity (refer note no.20.1)		0.04		0.25
Provision for leave encashment and other retirals (refer note no.15.1)		5.29		4.50
		<b>5.33</b>		<b>4.75</b>

15.1 The Company provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized 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		58.49		49.81
Leave encashment fixed commitment		8.87		9.29
Leave encashment provision by overseas branches		0.11		2.71
		<b>67.47</b>		<b>61.81</b>



## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 15. Provisions (Contd.)

The movement in the present value of the obligation is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Opening balance</b>	<b>49.81</b>	47.03
Current service cost	4.84	4.51
Interest cost	3.08	3.38
Actuarial (gains) / losses	5.39	(2.27)
Benefits paid	(4.63)	(2.84)
<b>Closing balance</b>	<b>58.49</b>	<b>49.81</b>

Costs considered in the statement of profit and loss (P&L) is given below:

Rs. Mln.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Costs accrued as per actuarial valuation	13.31	5.63
Costs accrued by overseas branches - net of reversals	(2.55)	0.03
	<b>10.76</b>	<b>5.66</b>

The movement in the P&L as per actuary is given below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	4.84	4.51
Interest on obligation	3.08	3.38
Net actuarial (gains) / losses	5.39	(2.26)
Net cost recognized	<b>13.31</b>	<b>5.63</b>

### 16. OTHER LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Non-current</b>		
Unearned revenue	2.40	3.20
Advance from customers	6.55	6.74
	<b>8.95</b>	<b>9.94</b>
<b>Current</b>		
Unearned revenue	193.02	154.58
Statutory dues payable	44.52	37.72
Expenses payable	100.43	85.62
Contract obligation	82.00	48.00
Advance from customers	2.93	3.06
	<b>422.90</b>	<b>328.98</b>

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

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 17. REVENUE FROM OPERATIONS - DISAGGREGATED

#### 17.1 Product wise revenue

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Revenue from software products	1,656.03	1,400.27
Revenue from software services	1,712.10	1,643.79
Revenue from resale of software and hardware materials	81.92	14.42
	<b>3,450.05</b>	<b>3,058.48</b>

#### 17.2 Geography wise revenue

Americas	398.16	284.00
Europe	321.59	134.05
APAC	1,016.48	1,010.33
India	1,456.51	1,408.05
Middle East and Africa	257.31	222.05
	<b>3,450.05</b>	<b>3,058.48</b>

#### 17.3 Business unit wise revenue

ERP	1,634.46	1,336.77
HRP	1,014.39	1,155.58
Aviation	801.20	566.13
	<b>3,450.05</b>	<b>3,058.48</b>

#### 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 obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize 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 materialized and adjustments for currency. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the following:

- the remaining performance obligations for contracts where revenue recognized 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 obligations 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, 2021, the Company recognized revenue of Rs.134.89 Mln. (previous year Rs.139.18 Mln.) arising from opening unearned revenue of Rs.157.78 Mln. (previous year Rs.160.75 Mln.) as at April 01, 2020.

Reconciliation of revenue recognized with the contracted price is as follows:

Contract Price	3,463.33	3,070.98
Reduction towards implied financing component	(13.28)	(12.50)
Revenue recognized	<b>3,450.05</b>	<b>3,058.48</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 18. FINANCE INCOME

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Interest income - loan to subsidiaries (refer note no.26)	81.43	115.58
Interest income - other than related parties	11.16	22.64
	<b>92.59</b>	<b>138.22</b>

## 19. OTHER INCOME

Profit on sale of property, plant and equipments	0.35	-
Gain on termination of leased assets	0.29	-
Other income	0.30	0.86
	<b>0.94</b>	<b>0.86</b>

## 20. EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	1,207.75	1,067.26
Share based payments	(4.14)	9.18
Contribution to provident and other funds	63.53	63.68
Gratuity and other retrials (refer note no.20.1)	32.96	40.26
Staff welfare	17.26	36.96
	<b>1,317.36</b>	<b>1,217.34</b>

20.1 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	63.53	63.68
Superannuation fund	14.55	15.11
National pension system	3.44	3.56
Other pension schemes by overseas branches	0.41	0.38

## Defined benefit plan contributions by the employer:

Gratuity fund, including adjustments based on actuarial valuation	20.91	19.60
Gratuity commitment by overseas branches	(6.36)	1.61

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

Current service cost	22.33	20.70
Interest on obligation	12.38	13.02
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	(13.80)	(14.12)
Net cost recognized in the statement of profit and loss	20.91	19.60
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	(1.87)	2.00
Actuarial (gains) / losses	(2.82)	(7.04)
Net (gain) / loss recognized in the other comprehensive income	(4.69)	(5.04)

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 20.1 As per Ind AS 19, the disclosures pertaining to employee benefits (Contd.)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Opening defined benefit obligation	198.64	179.60
Current service cost	22.33	20.70
Interest cost	12.38	13.02
Actuarial (gains) / losses	(2.82)	(7.04)
Benefits paid	(16.34)	(7.64)
<b>Closing defined benefit obligation</b>	<b>214.19</b>	<b>198.64</b>

Movements in the present value of the plan assets in the current and previous year were as follows:

Opening fair value of plan assets	213.09	180.27
Expected return on plan assets	13.80	14.12
Actuarial (gains) / losses	1.87	(2.00)
Contributions from the employer	14.84	28.34
Benefits paid	(16.34)	(7.64)
<b>Closing fair value of plan assets</b>	<b>227.26</b>	<b>213.09</b>

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 March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
Present value of funded defined benefit obligation	214.19	198.64
Less: Fair value of plan assets	227.26	213.09
Present value of funded defined benefit obligations / (asset)	(13.07)	(14.45)
Gratuity liability maintained by overseas branches	0.79	7.23
<b>Investment details:</b>		
Funds with LIC	227.26	213.09

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
Discount rate	6.66%	6.50%
Future salary increase	8.00%	3.00% p.a. in year 1 and 8.00% p.a. thereafter

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 20.1 As per Ind AS 19, the disclosures pertaining to employee benefits (Contd.)

A quantitative sensitivity analysis for significant assumptions are below:

Particulars	For the year ended March 31, 2021			
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(10.67)	11.51	11.53	(10.80)

Particulars	For the year ended March 31, 2020			
	Discount rate		Future salary increases	
	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)

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.

The following payments are expected benefit payouts to the defined benefit plan in future years:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Within the next 12 months (next annual reporting period)	6.89	5.97
1 - 2 years	12.10	11.87
2 - 3 years	11.03	7.95
3 - 4 years	14.30	10.42
4 - 5 years	11.15	13.85
Beyond 5 years	101.40	91.10
Total expected payments	156.87	141.16

## 21. FINANCE COSTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Interest on loans	24.25	49.22
Interest on leased assets	50.60	56.31
Interest others	0.03	0.07
Other finance cost on loans	1.03	1.96
	75.91	107.56

## 22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	64.69	64.05
Depreciation on leased assets	83.01	85.36
Amortization of intangible assets	481.82	456.67
	629.52	606.08

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 23. OTHER EXPENSES

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Advertisement and sales promotion	55.60	106.91
Bank charges	3.23	3.21
Bad debts / provision for doubtful debts & advances, net	93.54	19.86
Consultancy charges	21.87	24.25
Corporate social responsibility expenditure	14.45	12.21
Foreign exchange fluctuation, net	(52.38)	(126.67)
Insurance	8.80	6.49
Loss on sale of property, plant and equipment	1.06	0.68
Office maintenance	24.04	38.16
Outsourcing costs	162.42	165.34
Power & fuel	16.65	25.60
Printing & stationery	0.72	1.63
Postage, telephone and communication	59.13	41.95
Rent	111.51	85.42
Repairs - building	0.14	3.90
Repairs - plant and machinery	54.43	45.38
Repairs - others	9.78	12.73
Rates and taxes	13.77	22.16
Sales commission and other selling expenses	9.02	8.72
Software subscription and maintenance	7.63	13.06
Travelling and conveyance	6.75	75.57
Miscellaneous expenses	39.94	60.56
	<b>662.10</b>	<b>647.12</b>

#### 23.1 Movement in provision for doubtful debts & advances

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Mln.	Rs. Mln.
<b>Balance at the beginning</b>	158.61	149.79
Provisions for the year	93.54	19.86
Translation differences	(0.33)	1.20
Provision utilized for write off	(117.22)	(12.24)
<b>Balance at the end</b>	<b>134.60</b>	<b>158.61</b>

#### Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Provisions for the year	93.54	19.86
Provision utilized for write off reversed to P&L	(117.22)	(12.24)
Amounts written off	117.22	12.24
Bad debts / provision for doubtful debts & advances, net	93.54	19.86

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 24. FEES PAID TO STATUTORY AUDITORS (EXCLUDING GST)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Statutory Audit	1.80	1.80
Company Law matters	0.03	0.03
Other Certifications	0.13	0.54
	1.96	2.37

## 25. 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, 2021 is Rs.14.45 Mln. Details of amount spent during the year on CSR activities are given below:

Sl. no.	Particulars	Rs. Mln.		Total
		Paid in cash	Yet to be paid in cash	
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	14.45	-	14.45

## 26. 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	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 (100% subsidiary of Ramco Systems Corporation, USA)	13.	PT Ramco Systems Indonesia, Indonesia
7.	Ramco Systems FZ-LLC, Dubai	14.	Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., 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. N E Vijaya Raghavan, Company Secretary
6.	Mr. M M Venkatachalam, Independent Director
7.	Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
8.	Mr. R S Agarwal, Independent Director
9.	Mrs. Soundara Kumar, Independent Director
10.	Mr. Sankar Krishnan, Non-Independent Director
11.	Justice Mr. P P S Janarthana Raja (Retd.), Independent Director

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 26. Related party transactions (Contd.)

#### c. 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

#### d. Enterprises over which KMP / relatives of KMP exercise significant influence

1.	Rajapalayam Mills Limited	17.	Gowrihouse Metal Works LLP
2.	The Ramco Cements Limited	18.	JKR Enterprises Limited
3.	Ramco Industries Limited	19.	Gowrishankar Screws
4.	The Ramaraju Surgical Cotton Mills Limited	20.	P A C R Sethurammam Charity Trust
5.	Sri Vishnu Shankar Mills Limited	21.	P A C R Sethurammam Charities
6.	Sandhya Spinning Mill Limited	22.	Rajapalayam Spinners Limited
7.	Thanjavur Spinning Mill Limited	23.	Ramco Industrial and Technology Services Limited
8.	Sri Harini Textiles Limited	24.	Madurai Trans Carrier Limited
9.	Swarna Boomi Estate	25.	Ramco Welfare Trust
10.	Thanga Vilas Estate	26.	Lynks Logistics Limited
11.	Rajapalayam Textile Limited	27.	Ramco Management Private Limited
12.	Shri Harini Media Limited	28.	Raja Charity Trust
13.	Sudarsanam Estate	29.	P A C Ramasamy Raja Centenary Trust
14.	Shri Abhinava Vidyatheertha Seva Trust	30.	P A C Ramasamy Raja Education Charity Trust
15.	Smt. Lingammal Ramaraju Shastra Prathista Trust		
16.	The Ramco Cements Limited Educational and Charitable 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:

Particulars	Rs. Mln.					
	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
<b>Income from sale of goods &amp; services</b>						
Ramco Systems Corporation, USA	155.82	55.53	-	178.58	119.49	-
Ramco Systems Canada Inc, Canada	1.38	0.69	-	2.11	1.76	-
Ramco Systems Ltd., Switzerland	18.71	-	-	21.20	3.67	-
Ramco Systems Sdn. Bhd., Malaysia	74.08	4.89	-	71.03	58.16	-
Ramco Systems Pte. Ltd., Singapore	169.37	116.07	-	238.90	162.91	-



## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 26. Related party transactions (Contd.)

Particulars	Rs. Mln.					
	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
RSL Enterprise Solutions (Pty) Ltd., South Africa	26.64	1.82	-	31.51	2.54	-
Ramco Systems FZ-LLC, Dubai	114.29	53.52	-	163.20	42.95	-
R S L Software Co. Ltd, Sudan	-	-	-	-	15.24	-
Ramco Systems Australia Pty Ltd, Australia	94.18	67.14	-	118.93	94.41	-
Ramco System Inc., Philippines	229.02	155.54	-	278.68	211.75	-
Ramco Systems (Shanghai) Co. Ltd., China	6.08	25.09	-	44.30	34.99	-
PT Ramco Systems Indonesia, Indonesia	6.22	3.72	-	5.10	4.20	-
Ramco System Vietnam Company Limited, Vietnam	1.72	1.45	-	1.00	-	-
The Ramco Cements Limited	107.99	-	-	252.91	-	-
Ramco Industries Limited	7.34	-	-	19.31	-	-
Rajapalayam Mills Limited	2.50	-	-	15.41	-	-
Rajapalayam Textile Limited	0.31	-	-	0.46	-	-
Sri Vishnu Shankar Mills Limited	1.13	-	-	1.75	-	-
Sandhya Spinning Mill Limited	0.82	-	-	1.34	-	-
Sri Harini Textiles Limited	0.22	-	-	0.37	-	-
The Ramaraju Surgical Cotton Mills Limited	2.13	-	-	2.37	-	-
Sudarsanam Estate	0.16	-	-	0.20	0.10	-
Swarna Bhoomi Estate	0.10	-	-	0.13	-	-
Thanga Vilas Estate	0.12	-	-	0.15	-	-
Ramco Welfare Trust	0.15	-	-	0.07	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.17	-	-	0.07	-	-
The Ramco Cements Limited Educational and Charitable Trust	1.63	-	-	0.29	-	-
Gowrihouse Metal Works LLP	-	-	-	0.58	0.53	-
P A C R Sethurammal Charity Trust	0.49	-	-	0.43	-	-
P A C R Sethurammal Charities	0.12	-	-	-	-	-
JKR Enterprises Limited	-	-	-	0.07	-	-
Madurai Trans Carrier Limited	0.85	-	-	1.04	-	-
Ramco Industrial and Technology Services Limited	2.67	-	-	0.59	0.31	-
Lynks Logistics Limited	11.74	-	-	-	-	-
P A C Ramasamy Raja Education Charity Trust	0.04	-	-	-	-	-
P A C Ramasamy Raja Centenary Trust	0.12	-	-	-	-	-
<b>Income from royalty</b>						
Ramco Systems Corporation, USA	226.14	42.14	58.17	135.41	71.31	14.65
Ramco Systems Canada Inc., Canada	6.03	1.04	2.51	2.30	1.90	-
Ramco Systems Ltd., Switzerland	8.29	0.90	-	14.02	0.84	-

**Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)**
**26. Related party transactions (Contd.)**

Particulars	Rs. Mln.					
	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
Ramco Systems Sdn. Bhd., Malaysia	64.42	10.91	21.93	26.52	15.99	0.48
Ramco Systems Pte. Ltd., Singapore	101.62	65.89	82.50	189.40	48.69	79.28
Ramco Systems FZ-LLC, Dubai	70.67	20.78	6.76	69.40	16.09	13.79
Ramco Systems Australia Pty Ltd, Australia	62.06	34.63	13.70	42.87	22.01	5.02
Ramco System Inc., Philippines	47.27	24.60	-	42.63	20.56	5.64
Ramco Systems (Shanghai) Co. Ltd., China	(2.51)	3.09	6.10	22.44	3.35	9.94
PT Ramco Systems Indonesia, Indonesia	0.97	2.58	-	7.23	1.79	1.81
Refund of royalty to Ramco Systems Pte. Ltd., Singapore	-	-	-	28.61	28.61	-
<b>Cost of services availed</b>						
Ramco Systems Corporation, USA	61.53	10.61	-	-	-	-
Ramco Systems Ltd., Switzerland	19.99	33.56	-	5.45	24.15	-
Ramco Systems Sdn. Bhd., Malaysia	9.38	3.61	-	8.54	0.96	-
Ramco Systems Pte. Ltd., Singapore	62.31	17.14	-	51.14	11.69	-
Ramco Systems Australia Pty Ltd, Australia	10.78	6.01	-	3.49	0.49	-
Ramco System Inc., Philippines	7.38	2.86	-	1.82	0.49	-
PT Ramco Systems Indonesia, Indonesia	0.77	0.19	-	0.12	0.05	-
Ramco Systems (Shanghai) Co. Ltd., China	2.02	0.29	-	-	-	-
Ramco Industrial and Technology Services Limited	46.69	-	-	50.08	2.69	-
<b>Investments (refer note no.8)</b>						
Ramco Systems Pte. Ltd., Singapore	-	-	-	395.66	-	-
Ramco Systems Australia Pty Ltd, Australia	-	-	-	269.11	-	-
<b>Loans given</b>						
Ramco Systems Sdn. Bhd., Malaysia	-	125.66	-	55.23	141.09	-
Ramco Systems Australia Pty Ltd, Australia	-	276.83	-	243.02	230.45	-
Ramco Systems Pte. Ltd., Singapore	-	392.54	-	378.88	381.54	-
Ramco Systems FZ-LLC, Dubai	-	30.32	-	10.54	221.13	-
Ramco System Inc., Philippines	-	21.55	-	8.49	22.14	-
<b>Interest income</b>						
RSL Enterprise Solutions (Pty) Ltd., South Africa	-	-	-	0.43	-	-
Ramco Systems Australia Pty Ltd, Australia	23.16	1.75	-	36.35	5.12	-
Ramco Systems Pte. Ltd., Singapore	34.22	-	-	49.64	43.17	-
Ramco Systems FZ-LLC, Dubai	10.55	-	-	18.59	3.24	-
Ramco Systems Sdn. Bhd., Malaysia	11.59	-	-	8.35	0.81	-
Ramco System Inc., Philippines	1.90	-	-	2.23	-	-

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 26. Related party transactions (Contd.)

							Rs. Mln.
Particulars	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020	
<b>Bank guarantee issued to</b>							
i) a banker to Ramco Systems FZ-LLC, Dubai	-	65.00	-	-	67.27	-	
ii) a banker to Ramco System Inc., Philippines	4.79	27.78	-	4.46	28.00	-	
iii) a banker to Ramco Systems Australia Pty Ltd, Australia	-	7.06	-	-	5.84	-	
iv) a banker to Ramco Systems Sdn. Bhd., Malaysia	-	-	-	-	23.97	-	
<b>Corporate guarantee issued in favour of customer(s) of</b>							
i) Ramco Systems Australia Pty Ltd, Australia	-	668.43	-	-	664.97	-	
ii) Ramco System Inc., Philippines	-	-	-	83.27	88.18	-	
<b>Rent expense</b>							
The Ramco Cements Limited	92.99	-	-	92.99	-	-	
Rajapalayam Mills Limited	0.08	-	-	0.08	-	-	
<b>Sitting fees</b>							
Mr. P R Venketrama Raja	0.12	-	-	0.12	-	-	
Mr. P V Abinav Ramasubramaniam Raja	0.12	-	-	0.12	-	-	
Mr. M M Venkatachalam	0.27	-	-	0.21	-	-	
Mr. A V Dharmakrishnan	0.24	-	-	0.24	-	-	
Mr. R S Agarwal	0.27	-	-	0.27	-	-	
Mrs. Soundara Kumar	0.27	-	-	0.27	-	-	
Mr. Sankar Krishnan	0.24	-	-	0.18	-	-	
Justice Mr. P P S Janarthana Raja (Retd.)	0.27	-	-	0.27	-	-	
<b>Remuneration</b>							
Mr. P V Abinav Ramasubramaniam Raja	1.31	-	-	1.31	-	-	
Mr. R Ravi Kula Chandran	8.80	-	-	7.51	-	-	
Mr. P R Karthic	-	-	-	0.50	-	-	
Mr. N E Vijaya Raghavan	1.57	-	-	0.20	-	-	
<b>CSR contribution</b>							
Shri Abhinava Vidyatheertha Seva Trust	14.45	-	-	12.21	-	-	
<b>Contributions made</b>							
Ramco Systems Limited employees group gratuity scheme	14.84	-	-	28.34	-	-	
Ramco Systems Limited employees superannuation scheme	14.56	-	-	15.11	-	-	

## Notes:

- Details of undertaking given by the Company are given in the note no.29.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- The transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free, except loan transactions. The Company has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are generally 30 to 90 days, except in the case of overseas subsidiaries, from whom the receivables are realized within the prescribed period.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 26. Related party transactions (Contd.)

d) Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	Rs. Mln.	
	FY 2020-21	FY 2019-20
Short - Term Benefits *	12.59	10.42
Defined Contribution Plan **	0.90	0.79
Defined Benefit Plan / Other Long - Term Benefits ***	-	-
<b>Total</b>	<b>13.49</b>	<b>11.21</b>

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

\*\* It includes contribution to Provident fund, Superannuation, National pension scheme and accrual of Gratuity.

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

e) Maximum loan outstanding during the year from subsidiaries:

Name of the subsidiary	Rs. Mln.	
	FY 2020-21	FY 2019-20
Ramco Systems Sdn. Bhd., Malaysia	144.57	141.90
Ramco Systems Australia Pty Ltd, Australia	294.73	557.39
Ramco Systems Pte. Ltd., Singapore	435.32	818.78
Ramco Systems FZ-LLC, Dubai	212.05	229.10
Ramco System Inc., Philippines	22.67	33.94

### 27. 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

As at March 31, 2021						Rs. Mln.	
Sl. No.	Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	
<b>Financial assets</b>							
1	Loans	848.65	-	-	848.65	848.65	
2	Investments	-	-	15.00	15.00	15.00	
3	Trade receivables	1,175.39	-	-	1,175.39	1,175.39	
4	Cash & cash equivalents	23.36	-	-	23.36	23.36	
5	Other financial assets	630.14	-	-	630.14	630.14	
	<b>Total</b>	<b>2,677.54</b>	<b>-</b>	<b>15.00</b>	<b>2,692.54</b>	<b>2,692.54</b>	
<b>Financial liabilities</b>							
6	Borrowings	-	-	-	-	-	
7	Lease liabilities	527.52	-	-	527.52	527.52	
<b>Trade payables</b>							
8	Total outstanding dues of micro and small enterprises	9.29	-	-	9.29	9.29	
9	Total outstanding dues of creditors, other than micro and small enterprises	313.31	-	-	313.31	313.31	
10	Other financial liabilities	33.62	-	-	33.62	33.62	
	<b>Total</b>	<b>883.74</b>	<b>-</b>	<b>-</b>	<b>883.74</b>	<b>883.74</b>	

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

## 27. Disclosure of fair value measurements (Contd.)

As at March 31, 2020						Rs. Mln.
Sl. No.	Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>Financial assets</b>						
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
	<b>Total</b>	<b>2,822.38</b>	<b>4.93</b>	<b>15.00</b>	<b>2,842.31</b>	<b>2,842.31</b>
<b>Financial liabilities</b>						
6	Borrowings	893.70	-	-	893.70	893.70
7	Lease liabilities	594.05	-	-	594.05	594.05
<b>Trade payables</b>						
8	Total outstanding dues of micro and small enterprises	17.11	-	-	17.11	17.11
9	Total outstanding dues of creditors, other than micro and small enterprises	241.98	-	-	241.98	241.98
10	Other financial liabilities	50.70	2.23	-	52.93	52.93
	<b>Total</b>	<b>1,797.54</b>	<b>2.23</b>	<b>-</b>	<b>1,799.77</b>	<b>1,799.77</b>

**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, 2021 are given below:

Particulars	Rs. Mln.			Total
	Level 1	Level 2	Level 3	
<b>Financial Instruments at FVTOCI</b>				
Investment in unlisted securities	-	-	15.00	15.00
<b>Financial Instruments at FVTPL</b>				
Foreign currency forward contract	-	-	-	-

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.			Total
	Level 1	Level 2	Level 3	
<b>Financial Instruments at FVTOCI</b>				
Investment in unlisted securities	-	-	15.00	15.00
<b>Financial Instruments at FVTPL</b>				
Foreign currency forward contract	-	2.70	-	2.70

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.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 28. 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 maximize 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.

Particulars	Rs. Mln.	
	As at March 31, 2021	As at March 31, 2020
Borrowings	- *	927.03
Less: Cash and cash equivalents	- #	30.84
Net Debt (A)	-	896.19
Equity Share Capital	307.49	306.39
Other Equity	8,456.71	7,992.68
Total Equity (B)	8,764.20	8,299.07
Debt / Equity (A / B)	-	10.80%

\* In addition to the opening borrowings as at April 01, 2020, there have been further borrowings during the year and entire borrowings have been repaid during the year, thus making the borrowings as at March 31, 2021 nil.

# not considered, since borrowings were nil.

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, 2021 and March 31, 2020.

### 29. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities	Rs. Mln.	
	As at March 31, 2021	As at March 31, 2020
a) Bank Guarantees issued by the bankers to the Company in favour of:		
i) Bankers to the subsidiaries and overseas branches (refer note no.26)	99.84	125.08
ii) Others	0.85	0.85
b) Corporate Guarantee issued in favour of customers of subsidiaries (refer note no.26)	668.43	753.15
c) Claims against the Company not acknowledged as debts		
i) Disputed Tamil Nadu VAT demand		
1. Relating to FY 2009-10 to FY 2013-14 and pending before Honorable High Court of Madras	75.86	75.86
2. Relating to FY 2014-15 to FY 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, FY 2012-13	0.09	0.09
iii) Disputed Service tax demand, pending before the first appellate authority, Years FY 2015-16 to FY 2017-18	1.21	1.21
iv) Other litigations	40.06	20.69
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	36.74	5.82

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 29. Contingent liabilities and commitments (Contd.)

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Australia Pty Ltd., Australia, and Ramco System Vietnam Company Limited, Vietnam for their operations and have also undertaken to ensure the going concern status of 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.

### 30. 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:

Particulars	Rs. Mln.	
	FY 2020-21	FY 2019-20
Fixed rate borrowing	373.25	689.88
Variable rate borrowing	74.59	159.18

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2020-21 by Rs.0.75 Mln. (FY 2019-20 by Rs.1.59 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
<b>SGD Mln.</b>						
As at March 31, 2021	3.01	1.44	-	7.28	(0.19)	11.54
As at March 31, 2020	3.60	1.40	-	8.10	(0.59)	12.51
<b>USD Mln.</b>						
As at March 31, 2021	2.55	1.76	-	2.01	(0.35)	5.97
As at March 31, 2020	3.98	0.94	-	2.19	(0.37)	6.74

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 30. Financial risk management objectives and policies (Contd.)

Foreign currency	Trade receivables	Unbilled revenues	Bank balances	Loans given	Trade payables	Total
<b>AUD Mln.</b>						
<b>As at March 31, 2021</b>	<b>1.83</b>	<b>0.16</b>	<b>-</b>	<b>5.06</b>	<b>(0.11)</b>	<b>6.94</b>
As at March 31, 2020	2.53	0.11	-	5.14	(0.01)	7.77
<b>PHP Mln.</b>						
<b>As at March 31, 2021</b>	<b>118.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.87)</b>	<b>116.85</b>
As at March 31, 2020	156.78	3.81	-	-	(0.33)	160.26
<b>EUR Mln.</b>						
<b>As at March 31, 2021</b>	<b>0.30</b>	<b>2.32</b>	<b>-</b>	<b>-</b>	<b>(0.54)</b>	<b>2.08</b>
As at March 31, 2020	0.10	0.50	-	-	-	0.60
<b>HKD Mln.</b>						
<b>As at March 31, 2021</b>	<b>1.85</b>	<b>10.59</b>	<b>-</b>	<b>-</b>	<b>(0.71)</b>	<b>11.73</b>
As at March 31, 2020	3.78	8.99	-	-	(0.84)	11.93
<b>AED Mln.</b>						
<b>As at March 31, 2021</b>	<b>3.04</b>	<b>0.35</b>	<b>-</b>	<b>1.56</b>	<b>-</b>	<b>4.95</b>
As at March 31, 2020	2.26	0.68	-	11.20	(0.03)	14.11

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

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
SGD	11.54	(11.54)	12.51	(12.51)
USD	5.97	(5.97)	6.74	(6.74)
AUD	6.94	(6.94)	7.77	(7.77)
PHP	116.85	(116.85)	160.26	(160.26)
EUR	2.08	(2.08)	0.60	(0.60)
HKD	11.73	(11.73)	11.93	(11.93)
AED	4.95	(4.95)	14.11	(14.11)

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, 2021 is nil. (Previous year USD 5.33 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:

Foreign currency	FY 2020-21		FY 2019-20	
	In Mln.	Rs. Mln.	In Mln.	Rs. Mln.
AED	-	-	0.55	10.80
AUD	-	-	0.20	10.03
SGD	-	-	0.39	21.01
USD	-	-	0.59	42.60

The accounting treatment followed for foreign exchange forward contracts is Mark to Market based on the MTM calculations provided by the bankers.



## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 30. Financial risk management objectives and policies (Contd.)

#### B. Credit risk

Credit risk is the risk of financial loss to the Company, if the customer or counter party to the financial instruments or supplier 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 59% as at March 31, 2021 (70% as at March 31, 2020), 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, 2021, were 20 and 64% respectively (24 and 67% as at March 31, 2020).

External customer accounted for more than 10% of the trade receivable from them, is one as at March 31, 2021 and nil as at March 31, 2020.

##### 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 one as at March 31, 2021 and nil as at March 31, 2020.

#### B.2 Advance to suppliers and service providers

Advance to suppliers and service providers are also exposed to risk in the event of inability to adjust such advances from their billing or otherwise recover the same.

##### Credit risk exposure

The movement in provision for doubtful debts and advances is as below:

Particulars	Rs. Mln.	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	158.61	149.79
Provisions for the year	93.54	19.86
Translation differences	(0.33)	1.20
Provision utilized for write off	(117.22)	(12.24)
Balance at the end	134.60	158.61
<b>Credit exposure (net of provisions)</b>		
Trade receivables	1,175.39	1,360.69
Unbilled licenses revenue	394.66	188.81
Unbilled royalty revenue	191.66	130.61
Unbilled services revenue	342.81	310.89
Advance to suppliers and service providers	69.23	93.33

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 30. Financial risk management objectives and policies (Contd.)

#### B.3 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Company is exposed to counter party 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:

Particulars	Rs. Min.	
	As at March 31, 2021	As at March 31, 2020
Expiring within one year		
Bank cash credit / overdraft / packing credit / WCDL (subject to the availability of drawing power at the time of drawl)	1,725.00	897.97
Expiring beyond one year	Nil	Nil

#### Maturities of financial liabilities

Particulars	Rs. Min.		
	< 1 year	> 1 year	Total
<b>As at March 31, 2021</b>			
Borrowings	-	-	-
Trade and other payables	324.44	31.78	356.22
Lease liabilities (on undiscounted basis)	112.55	606.84	719.39
<b>Total</b>	<b>436.99</b>	<b>638.62</b>	<b>1,075.61</b>
<b>As at March 31, 2020</b>			
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
<b>Total</b>	<b>1,256.44</b>	<b>785.88</b>	<b>2,042.32</b>

31. The Company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.
32. 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 FY 2021-22 have been paid to the BSE Limited and The National Stock Exchange of India Limited.

## Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

### 33. 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.

The lockdown continued in FY 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 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 outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The Company has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non-financial assets and as per the current assessment of the Company, there is no material impact in respect of these in the preparation of the financial statements. However, 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 and the Company will continue to monitor the uncertainties caused by COVID-19 to assess the impact on our future economic conditions.

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

35. The figures in Rupees have been rounded off to the million with two decimals in current and previous year.

As per our report annexed

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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

## RESEARCH AND DEVELOPMENT ACTIVITIES

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	4.46	4.90
Intangible assets	2	2,573.07	2,427.72
<b>Total non-current assets</b>		<b>2,577.53</b>	<b>2,432.62</b>
<b>Current assets</b>			
Financial assets		0.12	-
Other current assets		23.85	0.10
<b>Total current assets</b>		<b>23.97</b>	<b>0.10</b>
<b>Total assets</b>		<b>2,601.50</b>	<b>2,432.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		(5,948.63)	(5,494.26)
<b>Total Equity</b>		<b>(5,948.63)</b>	<b>(5,494.26)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Head office contra account		8,440.12	7,895.51
<b>Total non-current liabilities</b>		<b>8,440.12</b>	<b>7,895.51</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables		57.39	31.10
Other current liabilities		52.62	0.37
<b>Total current liabilities</b>		<b>110.01</b>	<b>31.47</b>
<b>Total liabilities</b>		<b>8,550.13</b>	<b>7,926.98</b>
<b>Total equity and liabilities</b>		<b>2,601.50</b>	<b>2,432.72</b>
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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	Year ended	Year ended
		March 31, 2021 Rs. Min.	March 31, 2020 Rs. Min.
<b>EXPENSES</b>			
Employee benefits expense	3	0.25	0.39
Depreciation and amortization expense	1 & 2	454.12	429.41
Other expenditure	4	-	-
<b>Total expenditure</b>		<b>454.37</b>	<b>429.80</b>
<b>Profit / (loss) for the year</b>		<b>(454.37)</b>	<b>(429.80)</b>

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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

## NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

### 1. PROPERTY, PLANT AND EQUIPMENT

Particulars				Rs. Mln.
	Laptops and desktops	Servers and networks	Office equipments	Total
<b>Gross carrying value</b>				
<b>As at April 01, 2019</b>	<b>4.28</b>	<b>2.72</b>	<b>0.17</b>	<b>7.17</b>
Additions	3.47	-	-	3.47
Disposals	(0.04)	-	-	(0.04)
<b>As at March 31, 2020</b>	<b>7.71</b>	<b>2.72</b>	<b>0.17</b>	<b>10.60</b>
Additions	1.34	-	-	1.34
Disposals	-	-	-	-
<b>As at March 31, 2021</b>	<b>9.05</b>	<b>2.72</b>	<b>0.17</b>	<b>11.94</b>
<b>Depreciation</b>				
<b>As at April 01, 2019</b>	<b>4.05</b>	<b>-</b>	<b>0.16</b>	<b>4.21</b>
For the year	1.07	0.45	0.01	1.53
Disposals	(0.04)	-	-	(0.04)
<b>As at March 31, 2020</b>	<b>5.08</b>	<b>0.45</b>	<b>0.17</b>	<b>5.70</b>
For the year	1.32	0.46	-	1.78
Disposals	-	-	-	-
<b>As at March 31, 2021</b>	<b>6.40</b>	<b>0.91</b>	<b>0.17</b>	<b>7.48</b>
<b>Carrying value</b>				
<b>As at March 31, 2020</b>	<b>2.63</b>	<b>2.27</b>	<b>-</b>	<b>4.90</b>
<b>As at March 31, 2021</b>	<b>2.65</b>	<b>1.81</b>	<b>-</b>	<b>4.46</b>

### 2. INTANGIBLE ASSETS

Particulars				Rs. Mln.
	Technology platform	Product software	Computer software	Total
<b>Gross carrying value</b>				
<b>As at April 01, 2019</b>	<b>1,595.09</b>	<b>4,209.88</b>	<b>38.92</b>	<b>5,843.89</b>
Additions	94.85	379.52	-	474.37
Deletions	-	-	(0.03)	(0.03)
<b>As at March 31, 2020</b>	<b>1,689.94</b>	<b>4,589.40</b>	<b>38.89</b>	<b>6,318.23</b>
Additions	103.23	494.06	0.40	597.69
Deletions	-	-	-	-
<b>As at March 31, 2021</b>	<b>1,793.17</b>	<b>5,083.46</b>	<b>39.29</b>	<b>6,915.92</b>
<b>Amortization</b>				
<b>As at April 01, 2019</b>	<b>979.31</b>	<b>2,446.19</b>	<b>37.16</b>	<b>3,462.66</b>
For the year	108.31	318.94	0.63	427.88
Disposals	-	-	(0.03)	(0.03)
<b>As at March 31, 2020</b>	<b>1,087.62</b>	<b>2,765.13</b>	<b>37.76</b>	<b>3,890.51</b>
For the year	112.28	339.46	0.60	452.34
Disposals	-	-	-	-
<b>As at March 31, 2021</b>	<b>1,199.90</b>	<b>3,104.59</b>	<b>38.36</b>	<b>4,342.85</b>
<b>Carrying value</b>				
<b>As at March 31, 2020</b>	<b>602.32</b>	<b>1,824.27</b>	<b>1.13</b>	<b>2,427.72</b>
<b>As at March 31, 2021</b>	<b>593.27</b>	<b>1,978.87</b>	<b>0.93</b>	<b>2,573.07</b>

## NOTES ON FINANCIALS OF RESEARCH &amp; DEVELOPMENT ACTIVITIES (Contd.)

## 3. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
	Rs. Min.	Rs. Min.
Salaries, bonus, contributions etc.,	426.85	372.57
Share based payment	0.25	0.39
Staff welfare	4.87	7.40
Gross cost	431.97	380.36
Less: Product research and development expenditure capitalized	(431.72)	(379.97)
	0.25	0.39

## 4. OTHER EXPENSES

Postage & telephone	0.98	0.16
Power & fuel	3.98	5.49
Travel & conveyance	2.41	4.08
Rent & Hosting charges	0.48	1.09
Consultancy & outsourcing charges	154.50	82.71
Other miscellaneous expenses	3.22	0.87
Gross cost	165.57	94.40
Less: Product research and development expenditure capitalized	(165.57)	(94.40)
	-	-

## 5. CALCULATION OF TOTAL R&amp;D EXPENDITURE

i) Capital Expenditure for R&D (exclusive of product research & development expenditure capitalized) (refer note no.1 & 2)	1.74	3.47
ii) Recurring R&D expenditure:		
Employee benefits expense - gross (refer note no.3)	431.97	380.36
Other expenses - gross (refer note no.4)	165.57	94.40
Sub-total	597.54	474.76
<b>Total R&amp;D expenditure (i) + (ii)</b>	<b>599.28</b>	<b>478.23</b>

**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



# 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 ('Consolidated Financial Statements') of Ramco Systems Limited (hereinafter referred to as the 'Holding Company') and its Subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') and the share of profit of its Associate. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended 31 March 2021 and a summary of the significant accounting policies and other explanatory information.

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 ('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 Group as at 31 March 2021, its Consolidated Profit (Financial Performance including Other Comprehensive Income), Consolidated Cash Flows and Consolidated Changes in Equity for the year ended on 31 March 2021.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards 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) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### 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 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 Receivables, Unbilled License Revenue and Unbilled Services Revenue:

Trade receivables are amounts billed but not yet received as on 31 March 2021. Amount outstanding on this account is Rs.1,834.96 Mn. Of this Rs.20.65 Mn. 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 license. The excess revenue over billing is classified as Unbilled License Revenue and grouped under Financial Assets. The amount outstanding as on 31 March 2021 is Rs.2,231.95 Mn.

#### 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 outstanding as on 31 March 2021 is Rs.1,248.29 Mn.

#### 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 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

## Independent Auditor's Report (Contd.)

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 evidence. We assessed the ageing of Trade Receivables and Unbilled Revenue, the customer's historical billing and collection patterns and whether any payments post year-end have been received up to the date this report. We have also ascertained the key judgments and assumptions used by the Management in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.

### 2. 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 value of intangible assets is particularly judgmental given its dependency on business forecasts. The carrying cost of Product Software and Technology Platform as on 31 March 2021 is Rs.2,572.14 Mn.

#### 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.

Our procedures focused on evaluating the appropriateness of the revenue forecasts and operating cash flows included in the business.

Challenging the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:

- a) Comparing historical budget forecasts against actual results.
- b) Comparing forecast growth to business plans approved by the Board.

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 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 CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation 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 (including other comprehensive income), Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its Associate in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards 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 its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies;

## Independent Auditor's Report (Contd.)

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 companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of its entity in the Group.

### AUDITOR'S RESPONSIBILITY

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 financial control 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.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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 the entities 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 the financial statements of such entities included in the Consolidated Financial Statements. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.
- We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements regarding, among other matters, the planned scope and timing of the audit

## Independent Auditor's Report (Contd.)

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

The Consolidated Financial Statements reflects the Group's share of total assets of Rs.6,245.48 Mn. as at 31 March 2021, total revenues of Rs.4,224.50 Mn., total net profit after tax of Rs.115.17 Mn. for the year ended 31 March 2021 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.

The Consolidated Financial Statements include Group's share of assets of Rs.15.35 Mn. as at 28 February 2021 and profit after tax of the Associate amounting to Rs.0.35 Mn. for the year ended 28 February 2021, 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.

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.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
2. In our opinion, proper books of accounts 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.
3. 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 Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
5. On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2021 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 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2021 on the Consolidated Financial Position of the Group

## Independent Auditor's Report (Contd.)

- Refer note no. 27 to the Consolidated Financial Statements.
- ii. The Group and associate company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred by the Holding Company to the Investor Education and Protection Fund.

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 Number: 001208S

**K SRINIVASAN**

Partner  
Membership No.: 021510  
UDIN: 21021510AAAABM3593

Place : Tiruchirappalli  
Date : 25 May 2021

**ANNEXURE A** to the Independent Auditor’s Report of even date on the Consolidated Financial Statements drawn in accordance with Indian Accounting Standards, of RAMCO SYSTEMS LIMITED

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘Act’)**

**OPINION**

We have audited the internal financial controls over financial reporting of the Holding Company as of 31 March 2021 in conjunction with our audit of the Consolidated Financial Statements for the year ended on 31 March 2021. 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.

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 2021, 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 issued by the Institute of Chartered Accountants of India.

**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 (‘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 issued by ICAI and the Standards on Auditing, 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 authorizations of management and directors of the company; and

**Annexure A to the Independent Auditor's Report (Contd.)**

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**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

**FOR M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants

Firm Registration Number: 001208S

**K SRINIVASAN**

Partner

Membership No.: 021510

UDIN: 21021510AAAABM3593

Place : Tiruchirappalli

Date : 25 May 2021

## CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

Particulars	Note No.	As at		As at	
		Rs. Min.	March 31, 2021 USD Min.	Rs. Min.	March 31, 2020 USD Min.
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	193.78	2.65	203.86	2.72
Right-of-use assets	6	579.20	7.93	705.63	9.40
Intangible assets	7	2,625.38	35.93	2,484.27	33.10
Investment in associate	8	15.35	0.24	14.99	0.23
<b>Financial assets</b>					
Investments	9.1	15.00	0.23	15.00	0.23
Trade receivables	9.3	14.78	0.20	35.94	0.48
Other financial assets	9.4	1,338.66	18.33	1,440.52	19.20
Tax assets (net)		75.70	1.04	125.33	1.67
Deferred tax assets (net)	10	-	-	278.03	3.70
Other non-current assets	11	7.49	0.10	77.95	1.04
		4,865.34	66.65	5,381.52	71.77
<b>Current assets</b>					
<b>Financial assets</b>					
Trade receivables	9.2	1,820.18	24.91	1,901.82	25.34
Cash and cash equivalents	9.3	153.32	2.10	151.65	2.02
Other financial assets	9.4	1,004.35	13.75	1,035.27	13.79
Tax assets (net)		141.26	1.93	98.30	1.31
Other current assets	11	1,426.78	19.53	1,211.91	16.15
		4,545.89	62.22	4,398.95	58.61
<b>Total assets</b>		<b>9,411.23</b>	<b>128.87</b>	<b>9,780.47</b>	<b>130.38</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	12	307.49	6.06	306.39	6.05
Other equity	13	6,210.99	83.19	5,751.86	74.70
<b>Equity attributable to equity holders of the parent</b>		<b>6,518.48</b>	<b>89.25</b>	<b>6,058.25</b>	<b>80.75</b>
Non-controlling interests		29.97	0.44	20.76	0.31
<b>Total equity</b>		<b>6,548.45</b>	<b>89.69</b>	<b>6,079.01</b>	<b>81.06</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	14.1	-	-	66.67	0.89
Lease liabilities	14.2	521.18	7.13	624.89	8.33
Trade payables	14.3	-	-	-	-
Total outstanding dues of creditors, other than micro and small enterprises		46.91	0.64	21.61	0.28
Deferred tax liabilities (net)	10	50.29	0.69	-	-
Provisions	15	234.14	3.20	173.21	2.31
Provision for tax		-	-	1.61	0.02
Other non-current liabilities	16	110.05	1.51	9.94	0.13
		962.57	13.17	897.93	11.96
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	14.1	-	-	862.50	11.49
Lease liabilities	14.2	107.04	1.47	109.55	1.46
Trade payables	14.3	-	-	-	-
Total outstanding dues of micro and small enterprises		9.29	0.13	17.11	0.23
Total outstanding dues of creditors, other than micro and small enterprises		554.30	7.59	558.67	7.45
Other financial liabilities	14.4	33.62	0.46	71.27	0.95
Provisions	15	18.62	0.25	11.36	0.15
Liabilities for current tax		39.54	0.54	16.56	0.22
Other current liabilities	16	1,137.80	15.57	1,156.51	15.41
		1,900.21	26.01	2,803.53	37.36
<b>Total liabilities</b>		<b>2,862.78</b>	<b>39.18</b>	<b>3,701.46</b>	<b>49.32</b>
<b>Total equity and liabilities</b>		<b>9,411.23</b>	<b>128.87</b>	<b>9,780.47</b>	<b>130.38</b>
The accompanying policies and notes form an integral part of the financial statements					
Significant Accounting Policies, Judgments 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  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	Year ended March 31, 2021		Year ended March 31, 2020	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>INCOME</b>					
Revenue from operations	17	6,263.06	84.92	5,689.16	81.03
Finance income	18	81.53	1.11	90.40	1.29
Other income	19	64.12	0.87	1.31	0.01
<b>Total Income</b>		<b>6,408.71</b>	<b>86.90</b>	<b>5,780.87</b>	<b>82.33</b>
<b>EXPENSES</b>					
Purchase of stock-in-trade		60.25	0.82	11.08	0.15
Changes in inventories of stock-in-trade		-	-	-	-
Employee benefits expense	20	2,761.57	37.44	2,562.00	36.49
Finance costs	21	88.25	1.20	122.05	1.74
Depreciation and amortization expense	22	691.46	9.38	664.65	9.47
Other expenses	23	1,728.31	23.43	2,086.00	29.71
<b>Total expenses</b>		<b>5,329.84</b>	<b>72.27</b>	<b>5,445.78</b>	<b>77.56</b>
<b>Profit / (Loss) before share of Profit of an associate</b>		<b>1,078.87</b>	<b>14.63</b>	<b>335.09</b>	<b>4.77</b>
Share of Profit of an associate	8	0.35	-	2.06	0.03
Profit / (Loss) before tax		1,079.22	14.63	337.15	4.80
<b>Income tax expense</b>	10				
Current tax (includes MAT)		187.28	2.54	119.64	1.71
Deferred tax (includes MAT credit)		324.96	4.41	108.33	1.54
<b>Total income tax expenses</b>		<b>512.24</b>	<b>6.95</b>	<b>227.97</b>	<b>3.25</b>
<b>Profit for the year</b>		<b>566.98</b>	<b>7.68</b>	<b>109.18</b>	<b>1.55</b>
<b>Other comprehensive income</b>					
<b>(i) Items that will not be reclassified to profit or loss</b>					
Remeasurement gains / (losses) of defined benefit obligations		4.69	0.07	5.03	0.07
Income tax on above item(s)		(1.37)	(0.02)	(0.43)	(0.01)
		3.32	0.05	4.60	0.06
<b>(ii) Items that may be reclassified to profit or loss</b>					
Effect of change in functional currency of foreign operations		(115.98)	0.68	166.90	(4.88)
Income tax on above item(s)		-	-	-	-
		(115.98)	0.68	166.90	(4.88)
<b>Other comprehensive income for the year (i + ii)</b>		<b>(112.66)</b>	<b>0.73</b>	<b>171.50</b>	<b>(4.82)</b>
<b>Total comprehensive income for the year</b>		<b>454.32</b>	<b>8.41</b>	<b>280.68</b>	<b>(3.27)</b>
<b>Profit for the year attributable to:</b>					
a) Shareholders of the Company		557.77	7.56	101.74	1.45
b) Non-controlling interests		9.21	0.12	7.44	0.10
		566.98	7.68	109.18	1.55
<b>Total comprehensive income for the year attributable to:</b>					
a) Shareholders of the Company		445.11	8.29	273.24	(3.37)
b) Non-controlling interests		9.21	0.12	7.44	0.10
		454.32	8.41	280.68	(3.27)
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		18.20	0.25	3.32	0.05
Diluted		18.20	0.25	3.32	0.05
Weighted average equity shares used in computing earnings per share					
Basic		30,640,345		30,598,687	
Diluted		30,640,345		30,598,687	
The accompanying policies and notes form an integral part of the financial statements					
Significant Accounting Policies, Judgments 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  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity Share Capital	Nos. in Mln.		Rs. Mln.		USD Mln.	
	Rs.	USD	Rs.	USD	Rs.	USD
Equity shares of Rs. 10 each issued, subscribed and fully paid						
<b>Balance as at April 01, 2019</b>		30.59	306.28	6.05		
Changes in Equity Share Capital during FY 2019-20 (refer note no.12)		0.01	0.11	-		
<b>Balance as at March 31, 2020</b>		<b>30.60</b>	<b>306.39</b>	<b>6.05</b>		
Changes in Equity Share Capital during FY 2020-21 (refer note no.12)		0.11	1.10	0.01		
<b>Balance as at March 31, 2021</b>		<b>30.71</b>	<b>307.49</b>	<b>6.06</b>		

### b. Other Equity for the year ended March 31, 2021

Particulars	Share application money pending allotment		Reserves & Surplus				Items of OCI		Total		Non-controlling interests		Total other equity		
	Share application money pending allotment		Securities premium		Employee stock options outstanding		Retained earnings		Currency translation reserve		Non-controlling interests		Total other equity		
	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.	
<b>As at April 01, 2020</b>	-	-	6,585.58	119.65	274.12	4.36	(1,308.09)	(37.92)	200.25	(11.39)	5,751.86	20.76	0.31	5,772.62	75.01
Profit for the period	-	-	-	-	-	-	557.77	7.56	-	-	557.77	9.21	0.12	566.98	7.68
Other comprehensive income / (losses)	-	-	-	-	-	-	3.32	0.05	-	-	3.32	0.05	-	3.32	0.05
(a) Remeasurement gain / (losses) of defined benefit obligations *	-	-	-	-	-	-	-	-	(115.98)	0.68	(115.98)	-	-	(115.98)	0.68
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	84.27	(10.71)	6,196.97	29.97	0.43	6,226.94	83.42
<b>Total comprehensive income / (losses)</b>	-	-	<b>6,585.58</b>	<b>119.65</b>	<b>274.12</b>	<b>4.36</b>	<b>(747.00)</b>	<b>(30.31)</b>	<b>84.27</b>	<b>(10.71)</b>	<b>6,196.97</b>	<b>29.97</b>	<b>0.43</b>	<b>6,226.94</b>	<b>83.42</b>
Subscription to stock option schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	18.16	0.25	-	-	-	-	-	-	18.16	-	-	18.16	0.25
Transfer on exercise of stock options	-	-	29.93	0.41	(29.93)	(0.41)	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	(4.14)	(0.05)	-	-	-	-	(4.14)	-	0.01	(4.14)	(0.04)
<b>As at March 31, 2021</b>	-	-	<b>6,633.67</b>	<b>120.31</b>	<b>240.05</b>	<b>3.90</b>	<b>(747.00)</b>	<b>(30.31)</b>	<b>84.27</b>	<b>(10.71)</b>	<b>6,210.99</b>	<b>29.97</b>	<b>0.44</b>	<b>6,240.96</b>	<b>83.63</b>

Particulars	Share application money pending allotment		Reserves & Surplus				Items of OCI		Total		Non-controlling interests		Total other equity		
	Rs. Mln.	USD Mln.	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.							
<b>Other Equity for the year ended March 31, 2020</b>															
<b>As at April 01, 2019</b>	0.54	0.01	6,580.62	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	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	(4.38)	(0.06)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	9.18	0.13	-	-	-	-	9.18	0.13	-	-	9.18	0.13
<b>As at March 31, 2020</b>	-	-	<b>6,585.58</b>	<b>274.12</b>	<b>4.36</b>	<b>(1,308.09)</b>	<b>(37.92)</b>	<b>200.25</b>	<b>(11.39)</b>	<b>5,751.86</b>	<b>74.70</b>	<b>20.76</b>	<b>0.31</b>	<b>5,772.62</b>	<b>75.01</b>

\* In accordance with Ind AS, remeasurement gains / (losses) on defined benefit obligations recognized in OCI are not to be subsequently reclassified to profit or loss. As required under Ind AS compliant Schedule II, 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. 0012085

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

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

**K SRINIVASAN**  
Partner  
Membership No.: 021510  
Tiruchirappalli  
Date : May 25, 2021

**SOUNDARA KUMAR**  
Director  
Coimbatore

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

## CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
<b>A. Cash flow from operating activities:</b>				
<b>Profit before tax</b>	<b>1,078.87</b>	<b>14.63</b>	335.09	4.77
Adjustments for :				
Depreciation and impairment of property, plant and equipment (PPE)	80.37	1.09	79.21	1.13
Amortization and impairment of intangible assets	481.82	6.53	456.68	6.50
Leased assets - Depreciation, impairment and finance costs	189.18	2.57	198.41	2.83
Share based payment expense accrual (reversal)	(4.14)	(0.06)	9.18	0.13
(Profit) / loss on sale of PPE (net)	0.71	0.01	0.68	0.01
Bad debts / provision for doubtful debts & advances, net	472.63	6.41	353.81	5.04
Remeasurement of defined benefit obligations	4.69	0.07	5.03	0.07
Effect of exchange difference on translation of deferred tax & fixed assets	(0.39)	(0.99)	(9.22)	2.92
Effect of change in foreign currency translation reserve	(115.98)	0.68	166.90	(4.88)
Unrealized exchange (gain) / loss	(67.94)	(0.92)	(109.04)	(1.55)
Finance and investment income	(78.00)	(1.06)	(77.88)	(1.11)
Finance costs	27.24	0.37	52.40	0.75
Grant Income	(60.70)	(0.82)	-	-
<b>Operating Profit before working capital / other changes</b>	<b>2,008.36</b>	<b>28.51</b>	<b>1,461.25</b>	<b>16.61</b>
Adjustments for :				
Increase / (decrease) in provisions	68.19	0.99	32.17	0.24
Increase / (decrease) in trade and other payables	13.11	0.40	167.03	1.70
Increase / (decrease) in other current liabilities	77.08	1.49	58.08	(0.61)
(Increase) / decrease in trade and other receivables	(477.09)	(8.63)	(1,173.65)	(9.77)
<b>Cash generated from operations</b>	<b>1,689.65</b>	<b>22.76</b>	544.88	8.17
Income tax paid	(33.59)	(0.45)	(40.03)	(0.57)
<b>Net cash flow from operating activities (A)</b>	<b>1,656.06</b>	<b>22.31</b>	<b>504.85</b>	<b>7.60</b>
<b>B. Cash flow from investing activities:</b>				
Addition to tangible / intangible assets	(692.57)	(9.45)	(585.71)	(7.81)
Proceeds from sale of PPE	1.01	0.01	1.31	0.03
Advance for issue of shares (refer note no.8 of the Standalone Financials)	(6.42)	(0.09)	-	-
Short term fixed deposits placed with Banks	(1.50)	0.02	(1.26)	0.01
Interest income on loans and deposits	0.22	0.01	0.21	-
Receipt of government grants	38.60	0.52	12.77	0.19
<b>Net cash used in investing activities (B)</b>	<b>(660.66)</b>	<b>(8.98)</b>	<b>(572.68)</b>	<b>(7.58)</b>
<b>C. Cash flow from financing activities:</b>				
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans	19.26	0.25	0.69	0.02
Proceeds from long term borrowings	-	-	100.00	1.33
Proceeds from short term borrowings	1,611.69	21.85	3,701.90	52.72
Repayment of long term borrowings	(100.00)	(1.33)	-	-
Repayment of short term borrowings	(2,438.72)	(32.86)	(3,677.85)	(53.39)
Payment of lease liabilities	(168.97)	(2.29)	(169.60)	(2.44)
Finance costs paid	(27.24)	(0.37)	(52.40)	(0.75)
Finance income	77.77	1.05	77.68	1.12
<b>Net cash generated from financing activities (C)</b>	<b>(1,026.21)</b>	<b>(13.70)</b>	<b>(19.58)</b>	<b>(1.39)</b>

# CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Net increase / (decrease) in cash and cash equivalents [A+B+C]</b>	<b>(30.81)</b>	<b>(0.37)</b>	<b>(87.41)</b>	<b>(1.37)</b>
Effect of unrealized exchange (gain) / loss	67.94	0.92	109.04	1.55
Net cash generated / (used in) for the year	37.13	0.55	21.63	0.18
Cash and cash equivalents at the beginning of the year	116.19	1.55	94.56	1.37
Cash and cash equivalents as at end of the year	153.32	2.10	116.19	1.55
<b>Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings (excluding bank overdraft):</b>				
<b>Balance at the beginning of the year</b>				
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	-	-
<b>Sub total</b>	<b>927.03</b>	<b>12.35</b>	<b>802.99</b>	<b>11.66</b>
<b>Cash flows during the year</b>				
Proceeds from long term borrowings	-	-	100.00	1.33
Repayment of long term borrowings	(100.00)	(1.33)	-	-
Effect of change in foreign currency	-	-	(0.01)	0.03
Proceeds from short term borrowings	1,611.69	21.85	3,701.90	52.72
Repayment from short term borrowings	(2,438.72)	(32.86)	(3,677.85)	(53.39)
Interest and finance charges on loans	27.24	0.37	52.40	0.75
Interest and finance charges on loans paid	(27.24)	(0.37)	(52.40)	(0.75)
<b>Sub total</b>	<b>(927.03)</b>	<b>(12.34)</b>	<b>124.04</b>	<b>0.69</b>
<b>Balance at the end of the year</b>				
Long term borrowings	-	-	66.67	0.89
Short term borrowings	-	-	827.03	11.02
Current maturities of long term debt	-	-	33.33	0.44
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>927.03</b>	<b>12.35</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>				
Cash and cash equivalents (refer note no.9.3)	153.32	2.10	151.65	2.02
Bank overdrafts (refer note no.14.1)	-	-	(35.46)	(0.47)
Balance as per statement of cash flows	153.32	2.10	116.19	1.55

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  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
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Partner  
Membership No.: 021510

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

### 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, 2021.

Sl. No.	Name	Country	% holding of the Parent	Year ending on
<b>Subsidiaries</b>				
(a)	Ramco Systems Corporation	USA	98%	31st March
(b)	Ramco Systems Ltd.	Switzerland	100%	31st March
(c)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31st March
(d)	Ramco Systems Pte. Ltd.	Singapore	100%	31st March
(e)	RSL Enterprise Solutions (Pty) Ltd.	South Africa	100%	31st March
(f)	Ramco Systems Canada Inc. (100% held by sl. no. (a) above)	Canada	98%	31st March
(g)	Ramco Systems FZ-LLC	Dubai	100%	31st March
(h)	R S L Software Co. Ltd.	Sudan	100%	31st March
(i)	Ramco Systems Australia Pty Ltd.	Australia	100%	31st March
(j)	Ramco System Inc.	Philippines	100%	31st March
(k)	Ramco Systems (Shanghai) Co. Ltd.	China	100%	31st March
(l)	Ramco System Vietnam Company Limited	Vietnam	100%	31st March
(m)	PT Ramco Systems Indonesia	Indonesia	100%	31st March
(n)	Ramco Systems Macau Limited (100% held by sl. no. (d) above)	Macau	100%	31st March
<b>Associate / Affiliate</b>				
(a)	CityWorks (Pty.) Ltd., South Africa (30% held by sl. no. (e) above)	South Africa	30%	28th 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, 2021 were approved and adopted by the Board of Directors of the Company in its meeting held on May 25, 2021.

### 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, 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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 amortized cost at the end of each reporting period.

2.4 An asset is treated as current when it is:

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

All other assets are classified as non-current.

2.5 A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

2.8 The consolidated financial statements are presented in Indian Rupees (i.e., the functional currency of the Parent) as well as in United States Dollars (USD) and all values are rounded to the nearest millions, except when otherwise indicated. Figures less than ten thousands are shown as nil.

2.9 Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Group and Affiliate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed-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 unrealized profits or losses. The financial statements of the Affiliate have been consolidated using the Equity Method. The most recent available financial statements of the associate is used in applying the equity method.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: a) the amount of equity attributable to the non-controlling interest at the dates on which investment in a subsidiary is made; and b) the share of movements in equity of non-controlling interest since the date the parent-subsidiary relationship came into existence.

### Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the Parent's functional currency, as well as in USD. For each entity, the Group determines the functional currency and items included in the financial

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognized 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 recognized in OCI or profit or loss are also recognized 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 recognizes 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 recognized in the OCI.

### **Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the

rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the monthly moving average exchange rates applicable for the year. The equity share capital is stated at the exchange rate at the date of the investment. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in consolidated statement of profit or loss.

## **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 recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognize 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



## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

difference between the recoverable amount of the associate and its carrying value and then recognizes the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statement of profit or loss.

### b. Fair value measurement

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

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

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

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

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

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

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

### c. Revenue recognition

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 recognized 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 recognize 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) recognize 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 judgment 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 recognized by measuring progress towards completion of the

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognizing 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 customization of the underlying software, revenue is recognized 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 recognized 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 recognized 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 customized software, are recognized 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 recognized 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 customized 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 recognized using the percentage of completion method as the implementation services are performed.

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

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized 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 recognized 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

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized 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 recognized as revenue as the related services are performed.

### (3) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognized 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 recognized on accrual basis.

The imputed interest attributable to arrangements having extended credit period is eliminated from the revenue from operations and accounted as interest over the credit period.

### e. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grant related to income is recognized 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 recognized 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 recognized 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

**Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)**

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 recognized amounts and intends to settle the asset and the liability on a net basis.

Deferred tax is recognized using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. 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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realized 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 recognized outside the Profit or Loss is recognized 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 capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

When assets are acquired on Hire Purchase these are capitalized at the gross value and interest thereon charged to consolidated statement of profit and loss.

Depreciation in the books of the Company is charged on a pro-rata basis on the 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 Group are tabled below:

Asset type	Useful life in years
Building	60
Laptops and desktops	3 to 5
Server and networks	6
Furniture and fixtures	5 to16
Office equipments	3 to 7
Electrical items	5 to 10
Vehicles	8

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

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 Group's lease asset classes primarily consist of leases for land, buildings and office equipments.

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognizes 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 recognizes 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 recognized, 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 recognizes 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 recognized 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.

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 recognized as expense on a straight line basis over the lease term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all 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 capitalized software development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets of the Group are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the

consolidated statement of profit or loss when the asset is de-recognized.

### Software development costs

Research costs are expensed as incurred. Software development expenditures on product / platform are recognized as intangible asset when the Group can demonstrate:

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

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

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

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

### Patents

Company is filing patent applications and costs incurred for filing the patent application like consultancy and filing fees are capitalized upon grant of Patents.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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	Lower of license period and 3 to 6
Patents	10

### j. Borrowing costs

Borrowing cost include interest computed using Effective Interest Rate method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset is capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalization by applying capitalization rate to the expenditure incurred on such cost. The capitalization rate determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

### k. Inventories

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

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 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 recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the consolidated statement of profit and loss.

### m. Provisions, contingent liabilities and contingent assets

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the consolidated financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent assets are neither recognized nor disclosed.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### n. Employee benefits expense

#### Short term employee benefits

Short term employee benefits viz., salaries, wages and other benefits are recognized as expenses at the undiscounted amount as per contractual terms in the consolidated statement of profit and loss for the year in which the related service is rendered.

#### Defined contribution plans of the Company

##### Superannuation

The senior officers of the Company have been given an option to participate in defined contribution plan ("The superannuation plan") maintained by the Life Insurance Corporation of India. For those who opt to participate, the Company makes contributions not exceeding Rupees One Lakh Fifty Thousand per annum, based on specified percentage of basic salary of each covered employee. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contribution / payments.

##### National pension system

The employees of the Company have been given an option to participate in a defined contribution plan ("National Pension System"), maintained by the fund managers approved by the Pension Fund Regulatory and Development Authority. For those who opt to participate, the Company makes contributions equal to 10% of the covered employee's basic salary. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid along with salary. The Company has no further obligation beyond its contributions / payments.

##### Provident fund

In addition to the above benefits, all employees receive benefits from a Provident fund, which is defined contribution plan. Both the employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's basic salary. These contributions are made to the employees' provident fund maintained by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

#### Defined benefit plans of the Company

##### Gratuity

In accordance with the Indian Law, the Company provides for gratuity, a defined benefit plan ("The

Gratuity Plan"), covering all employees. The employees are covered under the Company Gratuity Scheme of the Life Insurance Corporation of India. The liability for gratuity is ascertained as at the end of the financial year, based on the actuarial valuation by an independent external actuary as at the Balance Sheet date using the "projected unit credit method".

Remeasurement of net defined benefit asset / liability comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the consolidated statement of profit and loss.

##### Leave encashment

The Company has a policy of providing encashment of unavailed leave for its employees. The obligation for the leave encashment is recognized based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognized in the consolidated statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

In respect of subsidiaries, such benefits to the extent applicable have been provided for in the books as required.

### 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 recognized amounts and intends either to settle on a net basis or to realize 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 categorized 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



## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognized 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) Amortized cost; or
- b) Fair value through other comprehensive income (FVTOCI); or
- c) Fair value through profit or loss (FVTPL)

Amortized 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
Amortized 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 realize its fair value changes.
FVTOCI	The objective of the Group is to collect its contractual cash flows and selling financial assets.

Investment in equity of associate is carried at cost (i.e.,) previous GAAP carrying amount as at the date of transition to Ind AS. The Group has exercised an

irrevocable option at the time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Group classifies its financial assets for measurement as below:

Classification	Names of financial assets
Amortized 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-recognized (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-recognizes 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 recognize the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Group has applied the de-recognition requirements prospectively.

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 recognized 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:

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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 recognizing 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
Amortized 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-recognized 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 recognized 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 recognizes a liability to make cash dividend, when the distribution is authorized and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized 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 recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognized over the vesting period remaining after the modification date.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 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 recognized in the consolidated statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing EPS.

Basic EPS amounts are calculated by dividing the consolidated profit for the year attributable to equity holders of the Parent by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the consolidated profit for the year attributable to equity holders of the Parent by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares.

#### 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 Recent pronouncements

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, 2021 to the Group.

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013, which deals with the presentation of financial statements. The amendments revise Division I, II and III of Schedule III and are applicable from April

01, 2021 The Group will evaluate the same to give effect to them as required by law.

The Government of India had enacted The Code on Wages 2019, The Industrial Relations Code 2020, The Occupational Safety, Health & Working Conditions Code 2020 and The Social Security Code 2020, subsuming various existing labour and industrial laws, but the effective date is yet to be notified. The impact of the legislative changes if any, will be assessed and recognized post notification of relevant provisions.

## 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 recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

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 Group. 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 / judgments 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 / amortization / impairment.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 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 / recognized, 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 judgment 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

**Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)**

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 judgment 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 customization 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

**5. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Building		Laptops and desktops		Servers and networks		Furniture and fixtures		Office equipments		Vehicles		Total			
	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.		
<b>Gross Carrying value</b>																
<b>As at April 01, 2019</b>	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)
<b>As at March 31, 2020</b>	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
Additions	-	-	49.12	0.67	11.97	0.16	0.06	-	2.39	0.03	0.10	-	6.00	0.08	69.64	0.94
Disposals	-	-	(0.05)	-	-	-	-	-	-	-	(0.10)	-	(4.44)	(0.06)	(4.59)	(0.06)
Exchange difference	-	-	(1.73)	0.09	(0.02)	0.05	1.96	0.05	1.46	0.07	(0.05)	0.01	-	0.01	1.62	0.28
<b>As at March 31, 2021</b>	3.12	0.04	356.89	4.88	161.44	2.20	77.70	1.06	133.55	1.83	16.88	0.24	37.57	0.51	787.15	10.76
<b>Depreciation</b>																
<b>As at April 01, 2019</b>	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)
<b>As at March 31, 2020</b>	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
For the year	0.05	-	34.22	0.46	21.94	0.30	5.71	0.08	13.51	0.18	1.23	0.02	3.71	0.05	80.37	1.09
Disposals	-	-	(0.05)	-	-	-	-	-	-	-	(0.05)	-	(2.76)	(0.04)	(2.86)	(0.04)
Exchange difference	-	-	(2.09)	0.07	(0.02)	0.03	0.33	0.02	1.06	0.05	(0.04)	-	-	0.01	(0.76)	0.18
<b>As at March 31, 2021</b>	1.99	0.03	291.44	3.99	91.72	1.26	57.01	0.77	117.15	1.60	12.65	0.17	21.41	0.29	593.37	8.11
<b>Carrying value</b>																
<b>As at March 31, 2020</b>	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
<b>As at March 31, 2021</b>	1.13	0.01	65.45	0.89	69.72	0.94	20.69	0.29	16.40	0.23	4.23	0.07	16.16	0.22	193.78	2.65

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 6. RIGHT-OF-USE ASSETS

Particulars	Building		Land		Office equipments		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
<b>Gross carrying value</b>								
<b>As at April 01, 2019</b>	<b>798.74</b>	<b>11.61</b>	<b>19.04</b>	<b>0.28</b>	<b>2.43</b>	<b>0.04</b>	<b>820.21</b>	<b>11.93</b>
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)
<b>As at March 31, 2020</b>	<b>814.47</b>	<b>10.85</b>	<b>19.04</b>	<b>0.25</b>	<b>2.43</b>	<b>0.03</b>	<b>835.94</b>	<b>11.13</b>
Additions	10.71	0.15	-	-	1.59	0.02	12.30	0.17
Disposals	(30.40)	(0.42)	-	-	-	-	(30.40)	(0.42)
Exchange difference	8.71	0.42	-	-	-	-	8.71	0.42
<b>As at March 31, 2021</b>	<b>803.49</b>	<b>11.00</b>	<b>19.04</b>	<b>0.25</b>	<b>4.02</b>	<b>0.05</b>	<b>826.55</b>	<b>11.30</b>
<b>Depreciation</b>								
<b>As at April 01, 2019</b>	-	-	-	-	-	-	-	-
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)
<b>As at March 31, 2020</b>	<b>123.92</b>	<b>1.64</b>	<b>4.77</b>	<b>0.07</b>	<b>1.62</b>	<b>0.02</b>	<b>130.31</b>	<b>1.73</b>
For the year	122.84	1.67	4.76	0.06	1.68	0.02	129.28	1.75
Disposals	(14.47)	(0.20)	-	-	-	-	(14.47)	(0.20)
Exchange difference	2.23	0.09	-	-	-	-	2.23	0.09
<b>As at March 31, 2021</b>	<b>234.52</b>	<b>3.20</b>	<b>9.53</b>	<b>0.13</b>	<b>3.30</b>	<b>0.04</b>	<b>247.35</b>	<b>3.37</b>
<b>Carrying value</b>								
<b>As at March 31, 2020</b>	<b>690.55</b>	<b>9.21</b>	<b>14.27</b>	<b>0.18</b>	<b>0.81</b>	<b>0.01</b>	<b>705.63</b>	<b>9.40</b>
<b>As at March 31, 2021</b>	<b>568.97</b>	<b>7.80</b>	<b>9.51</b>	<b>0.12</b>	<b>0.72</b>	<b>0.01</b>	<b>579.20</b>	<b>7.93</b>

## 7. INTANGIBLE ASSETS

Particulars	Technology Platform		Product Software		Computer Software		Patents		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
<b>Gross carrying value</b>										
<b>As at April 01, 2019</b>	<b>1,595.09</b>	<b>23.19</b>	<b>4,209.88</b>	<b>61.21</b>	<b>205.53</b>	<b>2.99</b>	<b>14.23</b>	<b>0.21</b>	<b>6,024.73</b>	<b>87.60</b>
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)
<b>As at March 31, 2020</b>	<b>1,689.95</b>	<b>22.52</b>	<b>4,589.40</b>	<b>61.15</b>	<b>201.95</b>	<b>2.69</b>	<b>14.23</b>	<b>0.19</b>	<b>6,495.53</b>	<b>86.55</b>
Additions	103.23	1.41	494.06	6.76	25.64	0.35	-	-	622.93	8.52
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	0.61	-	1.67	(0.57)	0.07	-	0.01	(0.57)	2.36
<b>As at March 31, 2021</b>	<b>1,793.18</b>	<b>24.54</b>	<b>5,083.46</b>	<b>69.58</b>	<b>227.02</b>	<b>3.11</b>	<b>14.23</b>	<b>0.20</b>	<b>7,117.89</b>	<b>97.43</b>
<b>Amortization</b>										
<b>As at April 01, 2019</b>	<b>979.31</b>	<b>14.24</b>	<b>2,446.19</b>	<b>35.57</b>	<b>155.83</b>	<b>2.27</b>	<b>10.55</b>	<b>0.15</b>	<b>3,591.88</b>	<b>52.23</b>
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)

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 7. Intangible assets (Contd.)

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.
<b>As at March 31, 2020</b>	<b>1,087.62</b>	<b>14.49</b>	<b>2,765.14</b>	<b>36.86</b>	<b>146.68</b>	<b>1.95</b>	<b>11.82</b>	<b>0.15</b>	<b>4,011.26</b>	<b>53.45</b>
For the year	112.28	1.52	339.46	4.60	29.43	0.40	0.65	0.01	481.82	6.53
Impairment loss	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	0.41	-	1.05	(0.57)	0.05	-	0.01	(0.57)	1.52
<b>As at March 31, 2021</b>	<b>1,199.90</b>	<b>16.42</b>	<b>3,104.60</b>	<b>42.51</b>	<b>175.54</b>	<b>2.40</b>	<b>12.47</b>	<b>0.17</b>	<b>4,492.51</b>	<b>61.50</b>
<b>Carrying value</b>										
<b>As at March 31, 2020</b>	<b>602.33</b>	<b>8.03</b>	<b>1,824.26</b>	<b>24.29</b>	<b>55.27</b>	<b>0.74</b>	<b>2.41</b>	<b>0.04</b>	<b>2,484.27</b>	<b>33.10</b>
<b>As at March 31, 2021</b>	<b>593.28</b>	<b>8.12</b>	<b>1,978.86</b>	<b>27.07</b>	<b>51.48</b>	<b>0.71</b>	<b>1.76</b>	<b>0.03</b>	<b>2,625.38</b>	<b>35.93</b>

Note: For the details of security to borrowings, refer note no.14.1.

### 8. INVESTMENT IN 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 28, 2021		Year ended February 29, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Group's share in:				
Profit after tax	0.35	-	2.06	0.03
Other comprehensive income	-	-	-	-
Total comprehensive income (TCI)	0.35	-	2.06	0.03

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

Particulars	As at February 28, 2021		As at February 29, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Opening carrying amount	14.99	0.23	12.94	0.21
Group's share of profit in TCI	0.35	-	2.06	0.03
Exchange difference	0.01	0.01	(0.01)	(0.01)
Closing carrying amount	15.35	0.24	14.99	0.23
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.

### 9. FINANCIAL ASSETS

#### 9.1 Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)

2,335 Shares in SmartMegh Solutions Private Limited., India of face value of Rs.10 each (as at March 31, 2020 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	-	-	-	-



## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 9.2 Trade receivables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Unsecured, considered good</b>				
<b>Non-current</b>				
Trade receivables - other than related parties	15.31	0.21	36.88	0.49
<b>Unsecured, considered doubtful</b>				
Trade receivables - other than related parties	108.17	1.48	88.62	1.18
	<b>123.48</b>	<b>1.69</b>	<b>125.50</b>	<b>1.67</b>
Less: Allowance for impairment loss	108.70	1.49	89.56	1.19
	<b>14.78</b>	<b>0.20</b>	<b>35.94</b>	<b>0.48</b>
<b>Current</b>				
<b>Unsecured, considered good</b>				
Trade receivables - associate	20.65	0.28	6.76	0.09
Trade receivables - other related parties	-	-	0.94	0.01
Trade receivables - other than related parties	1,868.41	25.57	1,947.53	25.95
	<b>1,889.06</b>	<b>25.85</b>	<b>1,955.23</b>	<b>26.05</b>
Less: Allowance for impairment loss	68.88	0.94	53.41	0.71
	<b>1,820.18</b>	<b>24.91</b>	<b>1,901.82</b>	<b>25.34</b>

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 Group 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, terms and conditions relating to related party receivables, refer note no. 24.

## 9.3 Cash and cash equivalents

Cash on hand	0.45	0.01	0.41	0.01
Balances with Banks in current / savings / business accounts	152.87	2.09	151.24	2.01
	<b>153.32</b>	<b>2.10</b>	<b>151.65</b>	<b>2.02</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

## 9.4 Other financial assets

<b>Unsecured, considered good</b>				
<b>Non-current</b>				
Unbilled licenses revenue	1,382.50	18.92	1,442.72	19.23
Security deposit	34.47	0.48	30.54	0.41
Employee advances	3.02	0.04	4.28	0.06
Bank deposit others	-	-	1.03	0.01
Advance for issue of shares (refer note no.8 of the Standalone Financials)	6.42	0.09	-	-
<b>Unsecured, considered doubtful</b>				
Unbilled licenses revenue	70.71	0.97	40.99	0.55
	<b>1,497.12</b>	<b>20.50</b>	<b>1,519.56</b>	<b>20.26</b>
Less: Allowance for impairment loss	158.46	2.17	79.04	1.06
	<b>1,338.66</b>	<b>18.33</b>	<b>1,440.52</b>	<b>19.20</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 9.4 Other financial assets (Contd.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Current</b>				
Unbilled licenses revenue	993.19	13.60	979.00	13.04
Security deposit	9.85	0.14	15.80	0.21
Employee advances	20.52	0.28	39.24	0.52
Foreign currency forward contract	-	-	4.93	0.07
Insurance claims receivable	8.00	0.11	18.20	0.24
Government grant receivable	22.10	0.30	-	-
Bank deposits held as margin money	6.59	0.09	5.09	0.07
Balance with Banks in Share issue accounts	0.09	-	0.09	-
	<b>1,060.34</b>	<b>14.52</b>	<b>1,062.35</b>	<b>14.15</b>
Less: Allowance for impairment loss	55.99	0.77	27.08	0.36
	<b>1,004.35</b>	<b>13.75</b>	<b>1,035.27</b>	<b>13.79</b>

## 10. TAXES

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

Nature of (asset) / liability	Rs. Mln.			
	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	734.59	700.50	34.08	(134.34)
Tax impact on unutilized carry forward losses	(305.25)	(632.51)	327.26	48.95
Tax effect of provision for gratuity	(4.42)	(4.53)	0.11	3.25
Tax effect of provision for compensated absences	(26.80)	(25.74)	(1.06)	(5.14)
Tax effect of provision for bad and doubtful debts / advances	(47.40)	(51.76)	4.36	2.80
Tax impact on foreign exchange differences	(2.01)	(2.73)	0.72	(3.00)
Tax impact on all other items	(58.89)	(37.10)	(21.79)	(35.04)
Tax impact on remeasurement gains / (losses) on defined benefit obligations (under OCI)	8.00	6.63	1.37	0.43
Impact of foreign exchange on conversion of overseas entities	-	0.01	(2.01)	10.53
<b>Deferred tax (asset) / liability (net)</b>	<b>297.82</b>	<b>(47.23)</b>		
<b>Deferred tax (income) / expense (net)</b>			<b>343.05</b>	<b>(111.56)</b>

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 10. Taxes (Contd.)

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

Rs. Mln.

Particulars	Balance sheet as at	
	March 31, 2021	March 31, 2020
<b>i) Deferred tax (asset) / liability</b>		
<b>Opening balance</b>	(47.23)	74.33
Deferred tax (income) / expense during the year recognized in statement of profit and loss	341.68	(111.99)
Deferred tax (income) / expense during the year recognized in OCI	1.37	0.43
Impact of foreign exchange on conversion of overseas entities	2.00	(10.00)
<b>Closing balance</b>	297.82	(47.23)
<b>ii) MAT credit</b>		
<b>Opening balance</b>	(550.55)	(451.12)
MAT credit for the current / previous year(s) including rounding off	(134.78)	(99.43)
<b>Closing balance</b>	(685.33)	(550.55)
<b>iii) Provision for MAT credit *</b>		
<b>Opening balance</b>	319.75	-
Provision for FY 2017-18 & FY 2018-19	-	239.71
Provision for the current / previous year(s)	118.05	80.04
<b>Closing balance</b>	437.80	319.75
<b>Total deferred tax (asset) / liability (i + ii + iii)</b>	50.29	(278.03)
<i>In USD Mln.</i>	0.69	(3.70)

\* 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 by the Parent Company and had filed a Writ petition challenging the said proviso in the Honorable High Court of Madras. The Parent Company will continue to make provision for such MAT credit availed, until disposal of the case.

## (c) Components of tax expenses

Rs. Mln.

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
<b>i) Statement of profit and loss</b>		
<b>Current tax</b>		
Current Income Tax charge (including MAT)	187.28	119.64
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	341.68	(111.99)
MAT credit for the current / previous year(s)	(134.77)	(99.43)
Provision for MAT credit (refer note no.10(b)(iii) above)	118.05	319.75
<b>Total tax (income) / expense reported in statement of profit and loss</b>	512.24	227.97
<b>ii) Other comprehensive income (OCI)</b>		
Deferred tax impact on remeasurement gains / (losses) of defined benefit obligations	1.37	0.43
<b>Total tax (income) / expense reported in OCI</b>	1.37	0.43
<b>iii) Total tax (income) / expense reported in total comprehensive income</b>	513.61	228.40

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 10. Taxes (Contd.)

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarized below:

Particulars	Rs. Mln.		
	For the year ended		
	March 31, 2021	March 31, 2020	
Accounting profit before tax	1,078.87	335.09	
Less: Adjustment from carry forward losses	1,197.57	799.33	
Profit / (loss) considered for taxation	(118.70)	(464.24)	
Corporate tax rate %	29.12%	29.12%	
<b>Computed tax expense / (income)</b>	<b>(34.57)</b>	<b>(135.19)</b>	
<b>Increase / (reduction) in taxes on account of:</b>			
MAT on accounting profit before tax & USA State taxes	165.32	111.12	
Tax adjustments of earlier years	0.51	(2.64)	
Non-deductible expenses	34.38	8.99	
Tax on non-taxable income for Indian tax purposes / impact due to differential tax rates from India	49.55	144.79	
Additional allowances / deductions for tax purposes	(27.91)	(7.43)	
	187.28	119.64	
Deferred tax (income) / expense recognition during the year	341.68	(111.99)	
MAT credit for the current / previous year(s)	(134.77)	(99.43)	
Provision for MAT credit (refer note no.10(b)(iii) above)	118.05	319.75	
<b>Tax (income) / expenses reported in the statement of profit and loss</b>	<b>512.24</b>	<b>227.97</b>	
<b>Tax (income) / expense reported in the other comprehensive income</b>	<b>1.37</b>	<b>0.43</b>	
<i>In USD Mln.</i>	<i>P&amp;L</i>	<i>6.95</i>	<i>3.25</i>
	<i>OCI</i>	<i>0.02</i>	<i>0.01</i>

### 11. OTHER ASSETS

Particulars	As at		As at	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Non-current</b>				
<b>Unsecured, considered good</b>				
Prepaid expenses	0.25	-	0.75	0.01
Advance to suppliers and service providers #	33.11	0.45	69.78	0.93
Unbilled services revenue	4.13	0.06	7.57	0.10
<b>Unsecured, considered doubtful</b>				
Unbilled services revenue	76.59	1.05	55.39	0.74
	114.08	1.56	133.49	1.78
Less: Allowance for impairment loss	106.59	1.46	55.54	0.74
	7.49	0.10	77.95	1.04
<b>Current</b>				
<b>Unsecured, considered good</b>				
Prepaid expenses	74.60	1.02	75.73	1.01
Advance to suppliers & service providers *#	71.83	0.98	29.66	0.40
Unbilled services revenue	1,275.29	17.46	1,101.33	14.67
Statutory advances	36.19	0.50	49.64	0.66
	1,457.91	19.96	1,256.36	16.74
Less: Allowance for impairment loss	31.13	0.43	44.45	0.59
	1,426.78	19.53	1,211.91	16.15

\* Includes prepayment to gratuity fund for the year Rs.13.07 Mln.(USD 0.18 Mln.) (previous year Rs.14.45 Mln.(USD 0.19 Mln.)) by the Company.

# Advance to suppliers and service providers are given in the normal course of business and adjusted against subsequent supplies / services.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Authorized share capital</b>				
50,000,000 (as at March 31, 2020 50,000,000) Equity Shares of Rs. 10 each	500.00		500.00	
<b>Issued and subscribed capital</b>				
31,063,260 (as at March 31, 2020 30,952,359) Equity Shares of Rs. 10 each	310.63	6.23	309.52	6.22
<b>Paid-up capital</b>				
30,714,082 (as at March 31, 2020 30,603,181) Equity Shares of Rs. 10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	307.49	6.06	306.39	6.05
	307.49	6.06	306.39	6.05

## 12.1 The reconciliation of share capital for the year :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
At the beginning of the year	306.39	6.05	306.28	6.05
Addition during the year	1.10	0.01	0.11	-
At the end of the year	307.49	6.06	306.39	6.05

	FY 2020-21	FY 2019-20
<b>Movement in number of shares during:</b>		
At the beginning of the year	30,603,181	30,592,822
Addition during the year under employee stock option schemes	110,901	10,359
At the end of the year	30,714,082	30,603,181

## 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	6,633.67	120.31	6,585.58	119.66
Currency translation reserve	84.27	(10.71)	200.25	(11.39)
Employee stock options outstanding	240.05	3.90	274.12	4.36
Retained earnings	(747.00)	(30.31)	(1,308.09)	(37.93)
<b>Total equity attributable to the equity holders of the Company</b>	<b>6,210.99</b>	<b>83.19</b>	<b>5,751.86</b>	<b>74.70</b>
Non-controlling interests	29.97	0.44	20.76	0.31
<b>Total other equity</b>	<b>6,240.96</b>	<b>83.63</b>	<b>5,772.62</b>	<b>75.01</b>

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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 13. Other equity (Contd.)

#### 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 recognized 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 recognize 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

### 14.1 Borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Non-current</b>				
<b>Term loans from Banks, secured</b>				
Axis Bank Limited	-	-	66.67	0.89
	-	-	<b>66.67</b>	<b>0.89</b>

This loan was 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. as at March 31, 2020. The interest rate is reset on yearly basis. The term loan was 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.
FY 2020-21	2	33.33
FY 2021-22	2	33.33
FY 2022-23	2	33.34
	<b>6</b>	<b>100.00</b>
Less: Transferred to current maturities of long term loans	2	33.33
Balance shown here	<b>4</b>	<b>66.67</b>

Of the above, Rs.33.33 Mln. being the current maturities of the long term loan, repayable in FY 2020-21 was shown under other current liabilities as on March 31, 2020 in note no.14.4. The entire loan of Rs.100.00 Mln. was prepaid during the year.

<b>Current</b>				
<b>Loans repayable on demand from Banks, secured</b>				
Axis Bank Limited - Cash credit	-	-	12.65	0.17
Mashreq Bank PSC - Overdraft	-	-	35.47	0.47
<b>Loans from Banks, secured</b>				
Axis Bank Limited	-	-	150.00	2.00
IDBI Bank Limited	-	-	100.00	1.34

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 14.1 Borrowings (Contd.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Loans from Banks, unsecured</b>				
Kotak Mahindra Bank Limited	-	-	349.38	4.65
HDFC Bank Limited	-	-	215.00	2.86
	-	-	<b>862.50</b>	<b>11.49</b>

## 1. Security details

Loans from Axis Bank Limited are secured by pari passu first charge on the current assets, both present and future of the Company.

Loans from IDBI Bank Limited are secured by pari passu first charge on the receivables (i.e., trade receivables, both current and non-current), both present and future of the Company.

Loan from Mashreq Bank PSC 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 (WCDL), 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, 2021 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2020	690.55	9.19	14.27	0.19	0.81	0.02	<b>705.63</b>	<b>9.40</b>
Additions during the year	10.71	0.15	-	-	1.59	0.02	<b>12.30</b>	<b>0.17</b>
Deletions during the year - net	(15.93)	(0.22)	-	-	-	-	<b>(15.93)</b>	<b>(0.22)</b>
Depreciation charge for the year	(122.83)	(1.68)	(4.76)	(0.06)	(1.68)	(0.02)	<b>(129.27)</b>	<b>(1.76)</b>
Foreign exchange (gain) / loss	6.47	0.36	-	-	-	(0.02)	<b>6.47</b>	<b>0.34</b>
<b>As at March 31, 2021</b>	<b>568.97</b>	<b>7.80</b>	<b>9.51</b>	<b>0.13</b>	<b>0.72</b>	<b>-</b>	<b>579.20</b>	<b>7.93</b>

b) 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. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
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
Deletions during the year - net	(1.55)	(0.02)	-	-	-	-	(1.55)	(0.02)
Depreciation charge for the year	(122.37)	(1.75)	(4.77)	(0.07)	(1.62)	(0.02)	(128.76)	(1.84)
Foreign exchange (gain) / loss	6.39	(0.77)	-	(0.02)	-	-	6.39	(0.79)
<b>As at March 31, 2020</b>	<b>690.55</b>	<b>9.19</b>	<b>14.27</b>	<b>0.19</b>	<b>0.81</b>	<b>0.02</b>	<b>705.63</b>	<b>9.40</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 14.2 Leases (Contd.)

c) The movement in lease liabilities during the year ended March 31, 2021 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2020	718.10	9.57	15.57	0.21	0.77	0.01	734.44	9.79
Additions during the year	10.71	0.15	-	-	1.59	0.02	12.30	0.17
Deletions during the year	(17.08)	(0.23)	-	-	-	-	(17.08)	(0.23)
Interest expense	59.74	0.81	1.23	0.02	0.04	-	61.01	0.83
Lease payments	(162.10)	(2.20)	(5.55)	(0.08)	(1.71)	(0.02)	(169.36)	(2.30)
Foreign exchange (gain) / loss	6.91	0.33	-	0.01	-	-	6.91	0.34
<b>As at March 31, 2021</b>	<b>616.28</b>	<b>8.43</b>	<b>11.25</b>	<b>0.16</b>	<b>0.69</b>	<b>0.01</b>	<b>628.22</b>	<b>8.60</b>

d) The movement in lease liabilities during the year ended March 31, 2020 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
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
Deletions during the year	(1.39)	(0.02)	-	-	-	-	(1.39)	(0.02)
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)
Foreign exchange (gain) / loss	6.23	(0.80)	-	(0.02)	-	-	6.23	(0.82)
<b>As at March 31, 2020</b>	<b>718.10</b>	<b>9.57</b>	<b>15.57</b>	<b>0.21</b>	<b>0.77</b>	<b>0.01</b>	<b>734.44</b>	<b>9.79</b>

The break-up of current and non-current lease liabilities are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Current	107.04	1.47	109.55	1.46
Non-current	521.18	7.13	624.89	8.33
<b>Total</b>	<b>628.22</b>	<b>8.60</b>	<b>734.44</b>	<b>9.79</b>

e) The following are the amounts recognized in profit or loss for the year ended:

Particulars	March 31, 2021		March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Depreciation expense of right-of-use assets	129.27	1.76	128.76	1.84
Interest expense on lease liabilities	61.01	0.83	69.65	0.99
Expense relating to short term leases (included in Other expenses)	23.13	0.31	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)	5.68	0.08	5.81	0.07
Rent concessions	4.19	0.06	-	-
(Gain) / loss on lease termination	(1.10)	(0.02)	-	-
<b>Total amount recognized in profit or loss</b>	<b>222.18</b>	<b>3.02</b>	<b>243.47</b>	<b>3.46</b>

Note: The Company has applied the practical expedient to all rent concessions that meet the conditions.



## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 14.2 Leases (Contd.)

- f) The Group had total cash outflows for leases during the year ended March 31, 2021 of Rs.194.27 Mln. USD 2.63 Mln. (Previous Year Rs.214.66 Mln. USD 3.07 Mln.)
- g) The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Less than 1 year	158.11	2.16	169.63	2.26
1 to 5 years	529.47	7.25	512.00	6.82
More than 5 years	145.35	1.99	318.24	4.24
	<b>832.93</b>	<b>11.40</b>	<b>999.87</b>	<b>13.32</b>

### 14.3 Trade payables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Non-current</b>				
Total outstanding dues of creditors, other than micro and small enterprises	46.91	0.64	21.61	0.28
	<b>46.91</b>	<b>0.64</b>	<b>21.61</b>	<b>0.28</b>
<b>Current</b>				
Total outstanding dues of micro and small enterprises	9.29	0.13	17.11	0.23
Total outstanding dues of creditors, other than micro and small enterprises				
Trade payables - other related parties (refer note no.24)	-	-	2.69	0.04
Trade payables - others	554.30	7.59	555.98	7.41
	<b>563.59</b>	<b>7.72</b>	<b>575.78</b>	<b>7.68</b>

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

<b>Current</b>				
Capital creditors	30.78	0.42	14.32	0.19
Current maturities of long term loans (refer note no.14.1)	-	-	33.33	0.44
Customer claims payables	-	-	18.35	0.25
Rental advances	0.30	0.01	0.50	0.01
Foreign currency forward contract	-	-	2.23	0.03
Employee welfare payables	2.54	0.03	2.54	0.03
	<b>33.62</b>	<b>0.46</b>	<b>71.27</b>	<b>0.95</b>

## 15. PROVISIONS

<b>Non-current</b>				
Provision for gratuity (refer note no.20.1)	25.38	0.35	25.36	0.34
Provision for leave encashment and other retirals (refer note no.15.1)	208.76	2.85	147.85	1.97
	<b>234.14</b>	<b>3.20</b>	<b>173.21</b>	<b>2.31</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 15. Provisions (Contd.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Current</b>				
Provision for gratuity (refer note no.20.1)	0.94	0.01	0.62	0.01
Provision for leave encashment and other retirals (refer note no.15.1)	17.68	0.24	10.74	0.14
	<b>18.62</b>	<b>0.25</b>	<b>11.36</b>	<b>0.15</b>

15.1 The Group provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized 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

<b>Non-current</b>				
Unearned revenue	103.50	1.42	3.20	0.04
Advance from customers	6.55	0.09	6.74	0.09
	<b>110.05</b>	<b>1.51</b>	<b>9.94</b>	<b>0.13</b>
<b>Current</b>				
Unearned revenue	728.35	9.97	853.61	11.37
Statutory dues payable	116.81	1.60	110.20	1.47
Expenses payable	219.24	3.00	135.29	1.80
Contract obligation	68.00	0.93	48.00	0.64
Advance from customers	5.40	0.07	9.41	0.13
	<b>1,137.80</b>	<b>15.57</b>	<b>1,156.51</b>	<b>15.41</b>

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

### 17. REVENUE FROM OPERATIONS - DISAGGREGATED

#### 17.1 Product wise revenue

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Revenue from software products	2,987.12	40.50	2,615.73	37.26
Revenue from software services	3,164.95	42.92	3,042.24	43.33
Revenue from resale of software and hardware materials	110.99	1.50	31.19	0.44
	<b>6,263.06</b>	<b>84.92</b>	<b>5,689.16</b>	<b>81.03</b>

#### 17.2 Geography wise revenue

Americas	1,465.43	19.87	1,013.50	14.43
Europe	349.95	4.75	176.17	2.51
APAC	2,323.53	31.50	2,466.78	35.14
India	1,487.06	20.18	1,423.97	20.28
Middle East and Africa	637.09	8.62	608.74	8.67
	<b>6,263.06</b>	<b>84.92</b>	<b>5,689.16</b>	<b>81.03</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 17.3 Business unit wise revenue

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
ERP	2,341.10	31.74	2,246.63	32.00
HRP	2,035.17	27.60	2,124.36	30.26
Aviation	1,886.79	25.58	1,318.17	18.77
	<b>6,263.06</b>	<b>84.92</b>	<b>5,689.16</b>	<b>81.03</b>

## 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 recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize 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 materialized 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 recognized 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, 2021, the Group recognized revenue of Rs.776.28 Mln., USD 10.53 Mln. arising from opening unearned revenue of Rs.856.81 Mln., USD 11.42 Mln. as at April 01, 2020. During the year ended March 31, 2020, the Group recognized 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.

Reconciliation of revenue recognized with the contracted price is as follows:

Contract price	6,315.40	85.63	5,752.60	81.93
Reduction towards implied financing component	(52.34)	(0.71)	(63.44)	(0.90)
Revenue recognized	<b>6,263.06</b>	<b>84.92</b>	<b>5,689.16</b>	<b>81.03</b>

## 18. FINANCE INCOME

Interest income - other than related parties	81.53	1.11	90.40	1.29
	<b>81.53</b>	<b>1.11</b>	<b>90.40</b>	<b>1.29</b>

## 19. OTHER INCOME

Government grant	60.70	0.82	-	-
Profit on sale of property, plant and equipments	0.35	-	-	-
Gain on termination of leased assets	1.13	0.02	-	-
Other income	1.94	0.03	1.31	0.01
	<b>64.12</b>	<b>0.87</b>	<b>1.31</b>	<b>0.01</b>

Government grant represents the grant from Economic Development Board of Singapore for a three-year period from Dec 2019 to Nov 2022, under the Innovation Development Scheme, by way of reimbursement of a portion of employee benefits expense and equipment for the project to develop specified new products / processes in Singapore. 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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 20. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Salaries, wages and bonus	2,561.50	34.73	2,323.07	33.10
Share based payments	(4.14)	(0.06)	9.18	0.13
Contribution to provident and other funds	84.68	1.15	84.44	1.20
Gratuity and other retrials	61.31	0.83	67.02	0.95
Staff welfare	58.22	0.79	78.29	1.11
	<b>2,761.57</b>	<b>37.44</b>	<b>2,562.00</b>	<b>36.49</b>

**20.1** The defined benefit plan (Gratuity) details in respect of the Company is provided for in the standalone financials note no.20.1. 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	24.90	0.34	50.37	0.72
Interest on leased assets	61.01	0.83	69.65	0.99
Interest others	0.03	-	0.07	-
Other finance costs on loans	2.31	0.03	1.96	0.03
	<b>88.25</b>	<b>1.20</b>	<b>122.05</b>	<b>1.74</b>

### 22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	80.37	1.09	79.21	1.13
Depreciation on leased assets	129.27	1.76	128.76	1.84
Amortization of intangible assets	481.82	6.53	456.68	6.50
	<b>691.46</b>	<b>9.38</b>	<b>664.65</b>	<b>9.47</b>

### 23. OTHER EXPENSES

Advertisement and sales promotion	109.58	1.48	191.37	2.73
Bank charges	15.29	0.21	12.69	0.18
Bad debts / provision for doubtful debts & advances, net	472.63	6.41	353.81	5.04
Consultancy charges	94.80	1.28	97.53	1.39
Corporate social responsibility expenditure	14.45	0.20	12.21	0.17
Customer claims, net of insurance claims	11.80	0.16	75.99	1.08
Foreign exchange fluctuation, net	(81.26)	(1.10)	(64.87)	(0.92)
Insurance	19.81	0.27	16.48	0.23
Loss on sale of property, plant and equipment	1.06	0.01	0.68	0.01
Loss on termination of leased assets	0.03	-	-	-
Office maintenance	22.18	0.30	34.17	0.49
Outsourcing costs	319.42	4.33	312.58	4.45
Power & fuel	19.60	0.27	30.20	0.43
Printing & stationery	3.06	0.04	4.91	0.07
Postage, telephone and communication	84.48	1.15	69.51	0.99

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 23. Other expenses (Contd.)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Rent	290.78	3.94	256.32	3.65
Repairs - building	0.25	-	6.14	0.09
Repairs - plant and machinery	57.76	0.78	46.53	0.66
Repairs - others	12.28	0.17	16.10	0.23
Rates and taxes	77.02	1.04	67.19	0.96
Sales commission and other selling expenses	27.98	0.38	47.33	0.67
Software subscription and maintenance	12.47	0.17	14.32	0.20
Travelling and conveyance	81.54	1.11	417.51	5.95
Miscellaneous expenses	61.30	0.83	67.30	0.96
	1,728.31	23.43	2,086.00	29.71

## 23.1 Movement in provision for doubtful debts &amp; advances

Particulars	As At March 31, 2021		As At March 31, 2020	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Balance at the beginning	349.08	4.65	374.50	5.45
Provisions for the year	472.63	6.41	353.81	5.04
Translation differences	5.48	0.23	9.96	(0.30)
Provision utilized for write off	(297.44)	(4.03)	(389.19)	(5.54)
Balance at the end	529.75	7.26	349.08	4.65

## Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Provisions for the year	472.63	6.41	353.81	5.04
Provision utilized for write off reversed to P&L	(297.44)	(4.03)	(389.19)	(5.54)
Amounts written off	297.44	4.03	389.19	5.54
Bad debts / provision for doubtful debts & advances, net	472.63	6.41	353.81	5.04

## 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	7. Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
2. Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director	8. Mr. R S Agarwal, Independent Director
3. Mr. Virender Aggarwal, Chief Executive Officer	9. Mrs. Soundara Kumar, Independent Director
4. Mr. R Ravi Kula Chandran, Chief Financial Officer	10. Mr. Sankar Krishnan, Non-Independent Director
5. Mr. N E Vijaya Raghavan, Company Secretary	11. Justice Mr. P P S Janarthana Raja (Retd.), Independent Director
6. Mr. M M Venkatachalam, Independent Director	

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 24. Related party transactions (Contd.)

#### b. Relatives of KMP

1.	Mr. P R Venketrama Raja, Father of Mr. P V Abinav Ramasubramaniam Raja	4.	Mrs. R Sudarsanam, Mother of Mr. P R Venketrama Raja
2.	Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja	5.	Mrs. S Sarada Deepa, Sister of Mr. P R Venketrama Raja
3.	Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam 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

#### d. Enterprises over which KMP / relatives of KMP 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 Vidyatheertha 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 (100% subsidiary of Ramco Systems Corporation, USA)	13.	PT Ramco Systems Indonesia, Indonesia
7.	Ramco Systems FZ-LLC, Dubai	14.	Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)

#### f. Associate

1.	CityWorks (Pty.) Ltd., South Africa
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## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 24. Related party transactions (Contd.)

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

Particulars	Transaction during the year 2020-21		Outstanding as at March 31, 2021		Transaction during the year 2019-20		Outstanding as at March 31, 2020	
	Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.
<b>Income from Sale of goods &amp; services</b>								
The Ramco Cements Limited	107.99	1.46	-	-	252.91	3.60	-	-
Ramco Industries Limited	7.34	0.10	-	-	19.31	0.27	-	-
Rajapalayam Mills Limited	2.50	0.03	-	-	15.41	0.22	-	-
Rajapalayam Textile Limited	0.31	-	-	-	0.46	0.01	-	-
Sri Vishnu Shankar Mills Limited	1.13	0.02	-	-	1.75	0.02	-	-
Sandhya Spinning Mill Limited	0.82	0.01	-	-	1.34	0.02	-	-
Sri Harini Textiles Limited	0.22	-	-	-	0.37	0.01	-	-
The Ramaraju Surgical Cotton Mills Limited	2.13	0.03	-	-	2.37	0.03	-	-
Sudarsanam Estate	0.16	-	-	-	0.20	-	0.10	-
Swarna Bhoomi Estate	0.10	-	-	-	0.13	-	-	-
Thanga Vilas Estate	0.12	-	-	-	0.15	-	-	-
Ramco Welfare Trust	0.15	-	-	-	0.07	-	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.17	-	-	-	0.07	-	-	-
The Ramco Cements Limited Educational and Charitable Trust	1.63	0.02	-	-	0.29	-	-	-
Gowrihouse Metal Works LLP	-	-	-	-	0.58	0.01	0.53	0.01
P A C R Sethurammam Charity Trust	0.49	0.01	-	-	0.43	0.01	-	-
P A C R Sethurammam Charities	0.12	-	-	-	-	-	-	-
JKR Enterprises Limited	-	-	-	-	0.07	-	-	-
Madurai Trans Carrier Limited	0.85	0.01	-	-	1.04	0.01	-	-
Ramco Industrial and Technology Services Limited	2.67	0.04	-	-	0.59	0.01	0.31	-
Lynks Logistics Limited	11.74	0.16	-	-	-	-	-	-
P A C Ramasamy Raja Centenary Trust	0.12	-	-	-	-	-	-	-
P A C Ramasamy Raja Education Charity Trust	0.04	-	-	-	-	-	-	-
CityWorks (Pty.) Ltd., South Africa	101.87	1.38	20.65	0.28	140.20	2.00	6.76	0.09
<b>Cost of services availed</b>								
Ramco Industrial and Technology Services Limited	83.10	1.13	6.52	0.09	50.08	0.71	2.69	0.04
<b>Bank Guarantee issued to</b>								
i) a banker to Ramco Systems FZ-LLC, Dubai	-	-	65.00	0.89	-	-	67.27	0.90
ii) a banker to Ramco System Inc., Philippines	4.79	0.06	27.78	0.38	4.46	0.06	28.00	0.37
iii) a banker to Ramco Systems Australia Pty Ltd., Australia	-	-	7.06	0.10	-	-	5.84	0.08
iv) a banker to Ramco Systems Sdn. Bhd., Malaysia	-	-	-	-	-	-	23.97	0.32

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 24. Related party transactions (Contd.)

Particulars	Transaction during the year 2020-21		Outstanding as at March 31, 2021		Transaction during the year 2019-20		Outstanding as at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Corporate guarantee issued in favour of customer(s) of</b>								
i) Ramco Systems Australia Pty Ltd., Australia	-	-	668.43	9.15	-	-	664.97	8.86
ii) Ramco System Inc., Philippines	-	-	-	-	83.27	1.19	88.18	1.18
<b>Rent expense</b>								
The Ramco Cements Limited	92.99	1.26	-	-	92.99	1.32	-	-
Rajapalayam Mills Limited	0.08	-	-	-	0.08	-	-	-
<b>Sitting fees</b>								
Mr. P R Venketrama Raja	0.12	-	-	-	0.12	-	-	-
Mr. P V Abinav Ramasubramaniam Raja	0.12	-	-	-	0.12	-	-	-
Mr. M M Venkatachalam	0.27	-	-	-	0.21	-	-	-
Mr. A V Dharmakrishnan	0.24	-	-	-	0.24	-	-	-
Mr. R S Agarwal	0.27	-	-	-	0.27	-	-	-
Mrs. Soundara Kumar	0.27	-	-	-	0.27	-	-	-
Mr. Sankar Krishnan	0.24	-	-	-	0.18	-	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.27	-	-	-	0.27	-	-	-
<b>CSR contribution</b>								
Shri Abhinava Vidyatheertha Seva Trust	14.45	0.20	-	-	12.21	0.17	-	-
<b>Remuneration</b>								
Mr. P V Abinav Ramasubramaniam Raja	1.31	0.02	-	-	1.31	0.02	-	-
Mr. Virender Aggarwal	85.99	1.17	-	-	83.64	1.19	-	-
Mr. R Ravi Kula Chandran	8.80	0.12	-	-	7.51	0.11	-	-
Mr. Karthic P R	-	-	-	-	0.50	0.01	-	-
Mr. N E Vijaya Raghavan	1.57	0.02	-	-	0.20	-	-	-
<b>Contributions made</b>								
Ramco Systems Limited employees group gratuity scheme	14.84	0.20	-	-	28.34	0.40	-	-
Ramco Systems Limited employees superannuation scheme	14.56	0.20	-	-	15.11	0.22	-	-

#### Notes:

- Ramco Systems FZ-LLC, Dubai, Ramco System Inc., Philippines 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.



## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 24. Related party transactions (Contd.)

d) Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	FY 2020-21		FY 2019-20	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Short – Term Benefits *	98.18	1.33	93.38	1.33
Defined Contribution Plan **	1.30	0.02	1.47	0.02
Defined Benefit Plan / Other Long-Term Benefits ***	-	-	-	-
<b>Total</b>	<b>99.48</b>	<b>1.35</b>	<b>94.85</b>	<b>1.35</b>

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

\*\* It includes contribution to Provident fund /other pension funds, 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 the short term maturities of these instruments.

## Financial instruments by category

Sl. No.	Particulars	Rs. Mln.					USD Mln.				
		Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
	<b>As at March 31, 2021</b>										
	<b>Financial assets</b>										
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23
3	Trade receivables	1,834.96	-	-	1,834.96	1,834.96	25.11	-	-	25.11	25.11
4	Cash & cash equivalents	153.32	-	-	153.32	153.32	2.10	-	-	2.10	2.10
5	Other financial assets	2,343.01	-	-	2,343.01	2,343.01	32.08	-	-	32.08	32.08
	<b>Total</b>	<b>4,331.29</b>	<b>-</b>	<b>15.00</b>	<b>4,346.29</b>	<b>4,346.29</b>	<b>59.29</b>	<b>-</b>	<b>0.23</b>	<b>59.52</b>	<b>59.52</b>
	<b>Financial liabilities</b>										
6	Borrowings	-	-	-	-	-	-	-	-	-	-
7	Lease liabilities	628.22	-	-	628.22	628.22	8.60	-	-	8.60	8.60
	<b>Trade payables</b>										
8	Total outstanding dues of micro and small enterprises	9.29	-	-	9.29	9.29	0.13	-	-	0.13	0.13
9	Total outstanding dues of creditors, other than micro and small enterprises	601.21	-	-	601.21	601.21	8.23	-	-	8.23	8.23
10	Other financial liabilities	33.62	-	-	33.62	33.62	0.46	-	-	0.46	0.46
	<b>Total</b>	<b>1,272.34</b>	<b>-</b>	<b>-</b>	<b>1,272.34</b>	<b>1,272.34</b>	<b>17.42</b>	<b>-</b>	<b>-</b>	<b>17.42</b>	<b>17.42</b>

Sl. No.	Particulars	Rs. Mln.					USD Mln.				
		Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
	<b>As at March 31, 2020</b>										
	<b>Financial assets</b>										
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 25. Disclosure of fair value measurements (Contd.)

Sl. No.	Particulars	Rs. Mln.						USD Mln.			
		Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
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
	<b>Total</b>	<b>4,560.27</b>	<b>4.93</b>	<b>15.00</b>	<b>4,580.20</b>	<b>4,580.20</b>	<b>60.76</b>	<b>0.07</b>	<b>0.23</b>	<b>61.06</b>	<b>61.06</b>
	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 and small enterprises	17.11	-	-	17.11	17.11	0.23	-	-	0.23	0.23
9	Total outstanding dues of creditors, other than micro 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
	<b>Total</b>	<b>2,330.04</b>	<b>2.23</b>	<b>-</b>	<b>2,332.27</b>	<b>2,332.27</b>	<b>31.05</b>	<b>0.03</b>	<b>-</b>	<b>31.08</b>	<b>31.08</b>

#### 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, 2021 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Instruments at FVTOCI</b>								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
<b>Financial Instruments at FVTPL</b>								
Foreign currency forward contract	-	-	-	-	-	-	-	-

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
<b>Financial Instruments at FVTOCI</b>								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
<b>Financial Instruments at FVTPL</b>								
Foreign currency forward contract	-	2.70	-	2.70	-	0.04	-	0.04

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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 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, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings	-*	-*	962.50	12.82
Less: Cash and cash equivalents	-#	-#	151.65	2.02
Net debt (A)	-	-	<b>810.85</b>	<b>10.80</b>
Equity share capital	<b>307.49</b>	<b>6.06</b>	306.39	6.05
Other equity	<b>6,210.99</b>	<b>83.19</b>	5,751.86	74.70
Total equity (B)	<b>6,518.48</b>	<b>89.25</b>	<b>6,058.25</b>	<b>80.75</b>
Net debt / Equity (A / B)	NIL		13.38%	

\* In addition to the opening borrowings as at April 01, 2020, there have been further borrowings during the year and entire borrowings have been repaid during the year, thus making the borrowings as at March 31, 2021 nil.

# not considered, since borrowings were nil.

In order to achieve the overall objective, the Group'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, 2021 and March 31, 2020.

## 27. CONTINGENT LIABILITIES AND COMMITMENTS

Sl. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
		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)	<b>99.84</b>	<b>1.37</b>	125.08	1.67
	ii) Others	<b>28.27</b>	<b>0.39</b>	2.12	0.03
2	Corporate Guarantee issued in favour of customers of subsidiaries (refer note no. 24)	<b>668.43</b>	<b>9.15</b>	753.15	10.04
3	Claims against the Group not acknowledged as debts				
a)	Disputed Tamil Nadu VAT demand				
	i) Relating to FY 2009-10 to FY 2013-14 and pending before Honorable High Court of Madras	<b>75.86</b>	<b>1.04</b>	75.86	1.01
	ii) Relating to FY 2014-15 to FY 2017-18 in respect of which no demand notice has been received	<b>26.73</b>	<b>0.37</b>	26.73	0.36
b)	Disputed Sales tax demand, pending before the first appellate authority, Mumbai, FY 2012-13	<b>0.09</b>	-	0.09	-
c)	Disputed Service tax demand, pending before the first appellate authority, FY 2015-16 to FY 2017-18	<b>1.21</b>	<b>0.02</b>	1.21	0.02
d)	Other litigations	<b>40.06</b>	<b>0.55</b>	20.69	0.28
	<b>Commitments</b>				
	Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>36.74</b>	<b>0.50</b>	5.82	0.08

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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 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 analyze 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.

##### 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	FY 2020-21		FY 2019-20	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fixed rate borrowing	373.25	5.11	689.88	9.19
Variable rate borrowing	85.04	1.16	180.95	2.41

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2020-21 by Rs. 0.85 Mln. USD 0.01 Mln. (FY 2019-20 by Rs. 1.80 Mln., USD 0.03 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
<b>USD Mln. *</b>					
<b>As at March 31, 2021</b>	11.23	14.45	(0.42)	0.26	25.52
As at March 31, 2020	13.80	16.13	(0.49)	0.22	29.66
<b>EUR Mln.</b>					
<b>As at March 31, 2021</b>	0.30	2.44	(0.55)	0.04	2.23
As at March 31, 2020	0.12	0.53	(0.03)	0.02	0.64
<b>PHP Mln.</b>					
<b>As at March 31, 2021</b>	1.76	116.57	-	-	118.33
As at March 31, 2020	-	153.67	-	-	153.67
<b>HKD Mln.</b>					
<b>As at March 31, 2021</b>	(0.25)	10.10	-	-	9.85
As at March 31, 2020	1.39	8.38	-	-	9.77

\* Total includes USD 11.83 Mln. (Previous year USD 14.63 Mln.) pertaining to Dubai where the exchange risk of AED to USD is limited.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 28. Financial risk management objectives and policies (Contd.)

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, 2021				As at March 31, 2020			
	Rs. Mln.		USD Mln.		Rs. Mln.		USD Mln.	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
USD	25.52	(25.52)	0.35	(0.35)	29.66	(29.66)	0.40	(0.40)
EUR	2.23	(2.23)	0.03	(0.03)	0.64	(0.64)	0.01	(0.01)
PHP	118.33	(118.33)	1.62	(1.62)	153.67	(153.67)	2.05	(2.05)
HKD	9.85	(9.85)	0.13	(0.13)	9.77	(9.77)	0.13	(0.13)

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, 2021 is nil (previous year USD 5.33 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, 2021			As at March 31, 2020		
	In Mln.	Rs. Mln.	USD Mln.	In Mln.	Rs. Mln.	USD Mln.
AED	-	-	-	0.55	10.80	0.14
AUD	-	-	-	0.20	10.03	0.13
SGD	-	-	-	0.39	21.01	0.28
USD	-	-	-	0.59	42.60	0.57

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 or the supplier 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, 2021, were 4 and 25% respectively (3 and 15% as at March 31, 2020).

Number of customers owing more than 10% of the accounts receivable is nil both as at March 31, 2021 and as at March 31, 2020.

###### 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.

No single customer constituting more than 10% of the unbilled revenues both as at March 31, 2021 and as at March 31, 2020.

##### B.2 Advance to suppliers and service providers

Advance to suppliers and service providers are also exposed to risk in the event of inability to adjust such advances from their billing or otherwise recover the same.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 28. Financial risk management objectives and policies (Contd.)

#### Credit risk exposure

The movement in provision for doubtful debts & advances is as below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Balance at the beginning	349.08	4.65	374.50	5.45
Provisions for the year	472.63	6.41	353.81	5.04
Translation differences	5.48	0.23	9.96	(0.30)
Provision utilized for write off	(297.44)	(4.03)	(389.19)	(5.54)
Balance at the end	529.75	7.26	349.08	4.65

#### Credit exposure (net of provisions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Trade receivables	1,834.96	25.11	1,937.76	25.82
Unbilled licenses revenue	2,231.95	30.55	2,356.63	31.40
Unbilled services revenue	1,248.29	17.09	1,064.30	14.18
Advance to suppliers and service providers	74.94	1.02	99.44	1.33

### B.3 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, 2021		As at March 31, 2020	
	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)	1,755.80	24.03	902.56	12.03
Expiring beyond one year	Nil		Nil	

#### Maturities of Financial Liabilities

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>As at March 31, 2021</b>						
Borrowings	-	-	-	-	-	-
Trade and other payables	597.21	8.18	46.91	0.64	644.12	8.82
Lease liabilities (on undiscounted basis)	158.11	2.16	674.82	9.24	832.93	11.40
<b>Total</b>	<b>755.32</b>	<b>10.34</b>	<b>721.73</b>	<b>9.88</b>	<b>1,477.05</b>	<b>20.22</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 28. Financial risk management objectives and policies (Contd.)

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>As at March 31, 2020</b>						
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
<b>Total</b>	<b>1,679.18</b>	<b>22.38</b>	<b>918.52</b>	<b>12.23</b>	<b>2,597.70</b>	<b>34.61</b>

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, 2021		As at March 31, 2020	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
<b>Property, plant and equipment</b>				
India including overseas branches	166.50	2.28	169.56	2.26
Other countries	27.28	0.37	34.30	0.46
<b>Right-of-use assets</b>				
India including overseas branches	484.22	6.63	568.90	7.58
Other countries	94.98	1.30	136.73	1.82
<b>Intangible assets</b>				
India including overseas branches	2,625.38	35.93	2,484.27	33.10
Other countries	-	-	-	-
<b>Others</b>				
India including overseas branches	6.24	0.08	68.45	0.91
Other countries	1.24	0.02	9.50	0.13

## 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, 2021 and March 31, 2020.

## 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:

<b>Ramco Systems Limited</b>								
Balance as at March 31, 2021	133.84%	8,764.20	79.29%	442.25	(6.91%)	7.78	101.11%	450.03
Balance as at March 31, 2020	136.52%	8,299.07	244.66%	248.91	(14.36%)	(24.63)	82.08%	224.28

**Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)**
**30. Statutory group information (Contd.)**

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.
<b>Subsidiaries, Foreign:</b>								
<b>1</b>	<b>Ramco Systems Corporation, USA</b>							
Balance as at March 31, 2021	19.43%	1,272.28	64.81%	361.47	26.67%	(30.05)	74.46%	331.42
Balance as at March 31, 2020	15.48%	940.86	295.24%	300.37	45.41%	77.89	138.43%	378.26
<b>2</b>	<b>Ramco Systems Ltd., Switzerland</b>							
Balance as at March 31, 2021	3.25%	213.14	2.19%	12.21	2.25%	(2.53)	2.18%	9.68
Balance as at March 31, 2020	3.35%	203.47	16.27%	16.56	13.05%	22.38	14.25%	38.94
<b>3</b>	<b>Ramco Systems Pte. Ltd., Singapore</b>							
Balance as at March 31, 2021	(2.27%)	(148.64)	(36.72%)	(204.82)	0.10%	(0.12)	(46.04%)	(204.94)
Balance as at March 31, 2020	0.93%	56.29	(56.63%)	(57.61)	(4.52%)	(7.75)	(23.92%)	(65.36)
<b>4</b>	<b>Ramco Systems Sdn. Bhd., Malaysia</b>							
Balance as at March 31, 2021	(2.92%)	(191.40)	0.28%	1.57	0.88%	(0.99)	0.13%	0.58
Balance as at March 31, 2020	(3.16%)	(191.98)	(129.62%)	(131.87)	(4.37%)	(7.49)	(51.00%)	(139.36)
<b>5</b>	<b>RSL Enterprise Solutions (Pty) Ltd., South Africa</b>							
Balance as at March 31, 2021	0.60%	39.50	0.52%	2.92	(4.91%)	5.53	1.90%	8.45
Balance as at March 31, 2020	0.51%	31.05	0.37%	0.38	(2.46%)	(4.22)	(1.40%)	(3.84)
<b>6</b>	<b>Ramco Systems Canada Inc., Canada</b>							
Balance as at March 31, 2021	0.67%	43.89	2.66%	14.81	(2.74%)	3.09	4.02%	17.90
Balance as at March 31, 2020	0.43%	26.00	3.55%	3.61	0.45%	0.77	1.60%	4.38
<b>7</b>	<b>Ramco Systems FZ-LLC, Dubai</b>							
Balance as at March 31, 2021	8.93%	585.05	6.21%	34.64	14.03%	(15.80)	4.23%	18.84
Balance as at March 31, 2020	9.31%	566.21	61.97%	63.05	27.93%	47.91	40.61%	110.96
<b>8</b>	<b>R S L Software Co. Ltd., Sudan</b>							
Balance as at March 31, 2021	0.02%	1.27	3.21%	17.91	6.34%	(7.15)	2.42%	10.76
Balance as at March 31, 2020	(0.16%)	(9.49)	(1.54%)	(1.57)	0.38%	0.65	(0.33%)	(0.92)
<b>9</b>	<b>Ramco Systems Australia Pty Ltd., Australia</b>							
Balance as at March 31, 2021	(7.70%)	(504.54)	(7.88%)	(43.95)	67.89%	(76.49)	(27.06%)	(120.44)
Balance as at March 31, 2020	(6.32%)	(384.10)	(303.04%)	(308.31)	20.52%	35.20	(99.95%)	(273.11)



## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

## 30. Statutory group information (Contd.)

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.
<b>10 Ramco System Inc., Philippines</b>								
Balance as at March 31, 2021	2.69%	176.31	(5.08%)	(28.35)	(4.92%)	5.55	(5.12%)	(22.80)
Balance as at March 31, 2020	3.28%	199.10	5.75%	5.84	16.72%	28.67	12.63%	34.51
<b>11 Ramco Systems (Shanghai) Co. Ltd., China</b>								
Balance as at March 31, 2021	0.10%	6.40	(1.84%)	(10.25)	(0.03%)	0.04	(2.29%)	(10.21)
Balance as at March 31, 2020	0.27%	16.60	4.51%	4.59	0.38%	0.64	1.92%	5.24
<b>12 Ramco System Vietnam Company Limited, Vietnam</b>								
Balance as at March 31, 2021	(0.09%)	(5.70)	(1.61%)	(8.95)	0.01%	(0.02)	(2.01%)	(8.97)
Balance as at March 31, 2020	0.05%	3.26	(11.70%)	(11.91)	0.40%	0.69	(4.11%)	(11.22)
<b>13 PT Ramco Systems Indonesia, Indonesia</b>								
Balance as at March 31, 2021	(0.69%)	(45.11)	(4.45%)	(24.80)	1.35%	(1.52)	(5.91%)	(26.32)
Balance as at March 31, 2020	(0.31%)	(18.79)	(24.02%)	(24.44)	0.46%	0.79	(8.65%)	(23.65)
<b>14 Ramco Systems Macau Limited, Macau</b>								
Balance as at March 31, 2021	(0.01%)	(0.50)	(0.01%)	(0.03)	(0.01%)	0.02	-	(0.01)
Balance as at March 31, 2020	(0.01%)	(0.49)	(0.48%)	(0.49)	-	-	(0.18%)	(0.49)
<b>Non-controlling interests</b>								
Balance as at March 31, 2021	(0.46%)	(29.97)	(1.65%)	(9.21)	-	-	(2.07%)	(9.21)
Balance as at March 31, 2020	(0.34%)	(20.76)	(7.31%)	(7.44)	-	-	(2.72%)	(7.44)
<b>Associate, Foreign</b>								
<b>CityWorks (Pty.) Ltd., South Africa</b>								
Balance as at March 31, 2021	0.23%	15.34	0.06%	0.35	-	-	0.08%	0.35
Balance as at March 31, 2020	0.25%	14.99	2.02%	2.06	-	-	0.75%	2.06
<b>Effect of Inter company eliminations / adjustments</b>								
Balance as at March 31, 2021	(55.63%)	(3,643.07)						
Balance as at March 31, 2020	(60.08%)	(3,652.28)						

## Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

### 30. Statutory group information (Contd.)

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.
Total <b>Balance as at March 31, 2021</b>	100%	6,548.45	100%	557.77	100%	(112.66)	100%	445.11
<b>Balance as at March 31, 2020</b>	100%	6,079.01	100%	101.74	100%	171.50	100%	273.24

### 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.

The lockdown continued in FY 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 Group 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 outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The Group has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non-financial assets and as per the current assessment of the Group, there is no material impact in respect of these in the preparation of the financial statements. However, 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 and the Group will continue to monitor the uncertainties caused by COVID-19 to assess the impact on our future economic conditions.

**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 with two decimals in current and previous year.

As per our report annexed

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

**P R VENKETRAMA RAJA**  
Chairman  
Rajapalayam

**SOUNDARA KUMAR**  
Director  
Coimbatore

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

**R RAVI KULA CHANDRAN**  
Chief Financial Officer  
Chennai

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

**VIRENDER AGGARWAL**  
Chief Executive Officer  
Singapore

**N E VIJAYA RAGHAVAN**  
Company Secretary  
Chennai

Tiruchirappalli  
Date : May 25, 2021

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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](http://www.ramco.com)

PHONE: +91 44 2235 4510 / 6653 4000, Fax : +91 44 2235 2884

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Twenty Fourth Annual General Meeting (“AGM”) of the Members of Ramco Systems Limited, will be held on Thursday, August 19, 2021 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, 2021, 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, 2021, 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, 2021 and the Auditors’ Reports thereon be and are hereby considered and adopted”

2. To consider and appoint a Director in place of Mr. Sankar Krishnan (DIN:01597033), who retires by rotation and being eligible, has offered himself for re-appointment:

“**RESOLVED THAT** Mr. Sankar Krishnan (DIN:01597033), who retires by rotation be and is hereby re-appointed as a Non-Executive & Non-Independent Director of the Company”

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

**P R VENKETRAMA RAJA**  
Chairman

Place : Rajapalayam  
Date : May 25, 2021

### NOTES:

1. The Company has chosen to conduct this AGM through VC, in view of the continuing Covid-19 pandemic. The AGM would be conducted in compliance with the applicable provisions of the Companies Act, 2013 (“The Act”) read with Ministry of Corporate affairs (“MCA”) General Circular No. 02/2021 dated January 13, 2021 and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 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 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 MCA. 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 FY 2020-21 are being sent to all the Members whose e-mail ids are registered with the Company/Depository Participants (“DP”). Dispatching of physical copies of the financial statements (including Board’s Report, Auditors’ Report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the Members and to all other persons so entitled. The Notice and the Annual Report will also be available on the Company’s website – [www.ramco.com](http://www.ramco.com) for download

- and at the websites of the BSE Limited (“BSE”) and National Stock Exchange of India Ltd. (“NSE”), 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](http://www.evotingindia.com).
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 DP 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](mailto:investor@cameoindia.com).
  7. As per Regulation 40 of SEBI LODR, securities of listed Companies can be transferred only in dematerialized 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 dematerialized 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 DP’s 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](http://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 12, 2021 to August 19, 2021 (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.
  13. 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:
    - a. Convening of AGM through VC in compliance with applicable provisions of the Act.
    - b. Date and Time of the AGM.
    - c. Availability of notice of the Meeting on the website of the Company and the Stock Exchanges, viz. BSE and NSE where the Company’s shares are listed and at <https://www.evotingindia.com> .
    - d. 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 DP in case the shares are held in dematerialized form.
  14. The cut-off date will be August 12, 2021 for determining the eligibility to vote by remote e-voting or during the AGM.
  15. **Voting Through Electronic Means:**
    - 15.1 In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and circulars issued by MCA in this regard and Regulation 44 of SEBI LODR the Company is providing remote e-voting facility though the e-voting platform provided by CDSL to enable Members to exercise their right to vote at the 24th AGM by electronic means and the business may be transacted through such voting, through e-voting services provided by CDSL.
    - 15.2 The remote e-voting period begins at 9:00 a.m. on Monday, the August 16, 2021 and ends at 05:00 p.m. on Wednesday, the August 18, 2021. During this period,

Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., August 12, 2021 may cast their vote electronically. The remote e-voting shall not be allowed beyond 5.00 PM on Wednesday, the August 18, 2021. 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.

15.3 In terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020

on e-voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DP. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

15.4 Pursuant to said SEBI Circular, Login method for e-voting and joining the AGM through VC for Individual Members holding securities in Demat mode are given below:

Type of Members	Login Method
Members holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining the AGM through VC &amp; voting during the Meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> .</li> <li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC &amp; voting during the Meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdideasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdideasDirectReg.jsp</a> .</li> <li>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number holding with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC &amp; voting during the Meeting.</li> </ol>

Type of Members	Login Method
Members (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

15.5 Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022-23058542-43.
Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

15.6 Login method for e-voting and joining the AGM through VC for Members other than individual shareholders holding in Demat form & for those holding in physical form:

- a. The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b. Click on “Shareholders” module
- c. now enter your User ID  
For CDSL: 16 digits beneficiary ID  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID  
Members holding shares in physical form should enter folio number registered with the Company
- d. Next enter the Image Verification as displayed and Click on Login
- e. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used
- f. If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form other than individual and Physical Form

PAN	Enter your 10 digit alpha-numeric pan issued by income Tax Department (applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/DP are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend bank details OR Date of Birth (DOB)	Enter the Dividend bank details or Date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the Member id / folio number in the Dividend bank details field as mentioned in instruction 15.6 (c).</li> </ul>

- g. After entering these details appropriately, click on “SUBMIT” tab

- 15.7 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.
- 15.8 For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- 15.9 Click on the EVSN for Ramco Systems Limited on which you choose to vote.
- 15.10 On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same 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.
- 15.11 Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- 15.12 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.
- 15.13 Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15.14 You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- 15.15 If a demat account holder has forgotten the changed password then enter the User ID and captcha Code click on forgot password & enter the details as prompted by the system.
- 15.16 Facility for non-individual Members and custodians:
- a. Non individual Members (i.e. other than individuals, HUF, NRI etc.) and custodians are required to log on to [www.evotingindia.com](https://www.evotingindia.com) and register themselves in the "Corporates" module.
  - b. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney(POA) which they have issued in favour of the custodian/ authorized person, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - f. Alternatively Non-individual Members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer at [srinivasan.k@msjandnk.in](mailto:srinivasan.k@msjandnk.in) 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 Scrutinizer to verify the same.
- 15.17 All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
- 16. Instructions for Members attending the AGM through VC & e-voting during the AGM are as under:**
- 16.1 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.
  - 16.2 The procedure for attending Meeting & e-voting on the day of the AGM are the same as the instructions mentioned for Remote e-voting in point no.15.
  - 16.3 The Members can join the AGM in the VC mode 15 minutes before and 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.
- 16.4 Members are requested to join the Meeting through laptops / IPad's for better experience and will be required to have webcam and use internet with a good speed to avoid any disturbance during the Meeting.
- 16.5 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.
- 16.6 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 DP/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.
- 16.7 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.
- 16.8 Non-Individual Members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the Board Resolution authorizing their representative to attend on their behalf at the Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to helpdesk.evoting@cdslindia.com.
- 16.9 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.
- 16.10 The link for VC will be available in shareholder/ Members login where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting in point no.15.
- 16.11 The Members who have voted through Remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
- 16.12 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.
- 16.13 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.
- 16.14 In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Process for those Members whose email addresses are not registered with the depositories:
- For physical shareholders - please provide necessary details like folio no., name of the Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of AADHAR Card) by email to the Company (investorcomplaints@ramco.com).
  - For Demat shareholders, please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining the AGM through VC through Depository.
  - If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
18. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. August 12, 2021 may obtain the login ID and password by following the procedures mentioned in Point No: 15.4 to 15.6, as the case may be.

19. 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 12, 2021.
20. Mr. K Srinivasan, Chartered accountant (Membership No.021510), Partner, M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants (email: srinivasan.k@msjandnk.in) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and ballot process at the AGM, in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the

Company and make, not later than forty eight hours of the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any Director or Chief Executive Officer or Chief Financial Officer or Company secretary who shall countersign the same and shall declare the consolidated result of the voting forthwith.

22. The Results declared along with the report of the scrutinizer shall be placed on the website of the Company [www.ramco.com](http://www.ramco.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him. The results shall also be 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 : Rajapalayam  
Date : May 25, 2021

## 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. Sankar Krishnan (DIN:01597033), Director, retires by rotation and is seeking re-appointment at the ensuing AGM.

Mr. Sankar Krishnan, 53 years, Non-Executive & Non-Independent Director, holds a B.Tech degree in Computer Science and Engineering from the College of Engineering, Trivandrum and an MBA from the Indian Institute of Management – Ahmedabad and has about 30 years of experience. He is a former partner of McKinsey & Company, who led McKinsey's healthcare practice, initially in India, and then in Greater China. At McKinsey, he served clients across India, China, Israel and West Asia and South-East Asia. He was the global Dean of McKinsey's leadership training programme and led recruiting for McKinsey India. He left McKinsey in July 2006, to set up

as an independent consultant in the not-for-profit sector in Asia. He was the Pro Vice Chancellor of Ashoka University, Sonapat from FY 2017-18. He is the Chairperson of Simprints Technologies, a Cambridge based non-profit organization and the Chief Strategic Advisor to the Ramco Group.

He has been on our board since May 11, 2018 and he does not hold any shares in the Company. His spouse Mrs. Divya Krishnan holds 4,426 shares as on March 31, 2021. He is also a Member of the Audit Committee and Nomination and Remuneration Committee of the Company.

During the year, he has attended all the Meetings of the board and its Committees, where he is a Member. He is not related to Directors or Manager or Key Managerial Personnel of the Company.

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

Sl. No.	Names of the Entities	Nature of Interest
1.	Harini Media Limited	Director
2.	Simprints Technology Limited, UK	Director
3.	Inapp Information Technologies (India) Private Limited	Additional Director

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

Sl. No.	Name of the Company	Name of the Committee	Position
1.	Harini Media Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Independent Director Committee	Member

#### Disclosure of Interest:

Except Mr. Sankar Krishnan, 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 : Rajapalayam  
Date : May 25, 2021



## Overseas Locations

<p><b>North America</b></p> <p><b>USA</b></p> <p>Ramco Systems Corporation 100 Overlook Center, Suite 2008, 2<sup>nd</sup> Floor Princeton, NJ 08540 Tel: +1 609 620 4800 Toll Free: +1 800 472 6261 Fax: +1 609 620 4860</p> <p><b>Canada</b></p> <p>Ramco Systems Canada Inc. 25<sup>th</sup> Floor, 666 Burrard Street Vancouver, BC V6C 2X8 Canada</p> <p><b>Europe</b></p> <p><b>Spain</b></p> <p>Ramco Systems Limited Avenida Diagonal Num. 442 P.3 Pta.1, Barcelona, Spain</p> <p><b>Switzerland</b></p> <p>Ramco Systems Ltd. Dorfplatz 3 CH - 4418 Reigoldswil Tel: +41 (0)61 205 25 25 Fax: +41 (0)61 205 25 90</p> <p><b>United Kingdom</b></p> <p>Ramco Systems Limited 120 Dorset House Regent Park 297-299 Kingston Road Leatherhead Surrey KT227PL Tel: +44-01372824774</p> <p><b>Germany</b></p> <p>Ramco Systems Limited Lyoner Strasse 14 60528 Frankfurt am Main Tel: +49 069 6655 4485 Fax: +49 069 6655 4100</p> <p><b>ANZ</b></p> <p>Ramco Systems Australia Pty Ltd Suite 7, Level 8, 99 York Street Sydney NSW 2000 Tel: +61 2 90898933</p> <p>Ramco Systems Australia Pty Ltd Level 17, 60 City Road, Southbank, Melbourne VIC 3006, Tel: +61 42 8816170</p> <p>Ramco Systems Australia Pty Ltd 127 Main Highway, Ellerslie Auckland 1051</p> <p>Ramco Systems Australia Pty Ltd ANZ Centre Level 33, 23 Albert Street Auckland 1010 New Zealand</p>	<p><b>Middle East</b></p> <p><b>Dubai</b></p> <p>Ramco Systems Limited Premises No: EX 33, Ground Floor, Building: 07, Dubai, United Arab Emirates Tel: +971 4 3636784 Fax: +971 4 3636785</p> <p><b>Dubai</b></p> <p>Ramco Systems FZ-LLC Suite No. 210, 2<sup>nd</sup> Floor, BT Building EIB 04, Dubai Internet City P O Box: 500189 Dubai – U.A.E Tel: +971 4 3636784 Fax: +971 4 3636785</p> <p><b>Africa</b></p> <p><b>South Africa</b></p> <p>RSL Enterprise Solutions (Pty) Ltd. No 5, Walnut Road 2<sup>nd</sup> Floor, SmartXchange Building PO No. 1228, Durban - 4000 South Africa Tel: +27 31 304 0911, 0918, 0928 Fax: +27 31 304 3499</p> <p><b>North Africa</b></p> <p>R S L Software Co. Ltd House number 306, Second Floor Block 21, Riyadh, Khartoum, Sudan</p> <p><b>ASEAN</b></p> <p><b>Malaysia</b></p> <p>Ramco Systems Sdn. Bhd. 3B-5-3 Block 3B Level 5 Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur - 50470 Tel: +603 22603978 Fax: +603 2260 1978</p> <p><b>Singapore</b></p> <p>Ramco Systems Pte. Ltd. 79 Anson Road, #15-04/05 Singapore - 079906 Tel: +65 6743 1513 Fax: +65 6743 1514</p> <p><b>Hong Kong</b></p> <p>Ramco Systems Pte. Ltd. #761, 7/F, 181 Queen's Road Central, Hong Kong Tel: +852 3511 6000</p>	<p><b>Philippines</b></p> <p>Ramco System Inc. 17<sup>th</sup> Floor, BDO Equitable Tower 8751 Paseo de Roxas Makati, 1227 Metro Manila Philippines Tel: +63 2 310 1716</p> <p><b>China</b></p> <p>Ramco Systems (Shanghai) Co. Ltd. Unit No.336, Suite B, Floor 3, No. 99, Gongping Road, Hongkou District Shanghai</p> <p><b>Indonesia</b></p> <p>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 Tel: +62 21 29930840</p> <p><b>Vietnam</b></p> <p>Ramco System Vietnam Company Limited Room 24, 16<sup>th</sup> Floor, Saigon Tower, 29 Le Duan Boulevard, District 1, Ho Chi Minh City,</p> <p><b>Macao</b></p> <p>Ramco Systems Macau Limited Block G, 14<sup>th</sup> Floor, China Plaza No. 762-804 Avenida da Praia Grande Macao</p> <p><b>Japan</b></p> <p>Ramco Software Japan Limited 3-2-5-704, Ebisu, Shibuya-ku, Tokyo</p>
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For more information, you can e-mail us at [contact@ramco.com](mailto:contact@ramco.com) or visit us at [www.ramco.com](http://www.ramco.com)

Ramco Aviation | Ramco ERP | Ramco Global HR & Payroll

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