

RAMCO SYSTEMS LIMITED

REGISTERED OFFICE: 47, P.S.K NAGAR, RAJAPALAYAM - 626 108.

CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.

ramco

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Ramco Systems Limited, will be held on Monday, the 28th July 2014, at 11.45 A.M. at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March 2014 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in the place of Shri.P.R.Ramasubrahmaneya Rajha (DIN: 00331357), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and, if thought fit, to pass with or without modification the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT M/s. CNGSN & Associates, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the 20th Annual General Meeting to be held in the year 2017 and their appointment shall be subject to ratification of Members at every Annual General Meeting.

“RESOLVED FURTHER THAT the Auditors shall be paid, for the Financial years 2014-15 and 2015-16, a remuneration of Rs. 10,00,000 (Rupees Ten Lacs only) per year, exclusive of out-of-pocket expenses and for the financial year 2016-17, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:
“RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri.M.M.Venkatachalam (DIN: 00152619), a non-executive Director of the Company whose term of appointment is liable to be determined by way of retirement by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years with effect from 1st April 2014 up to 31st March 2019.”
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri.R.S.Agarwal (DIN: 00012594), a non-executive Director of the Company whose term of appointment is liable to be determined by way of retirement by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years with effect from 1st April 2014 up to 31st March 2019.”

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:
“RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri.V.Jagadisan (DIN: 00058769), a non-executive Director of the Company whose term of appointment is liable to be determined by way of retirement by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years with effect from 1st April 2014 up to 31st March 2019.”

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT the following Article be inserted in the Articles of Association of the Company numbered as Clause 32a after the existing Clause 32:

32a. The Board of Directors shall have the power to appoint the Managing Director of the Company as Chairman / Vice Chairman of the Company as well”

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri.P.R.Venketrama Raja (DIN: 00331406) as Managing Director of the Company, on the terms and conditions of appointment as contained in the agreement entered into with him, for a period of 3 (three) years with effect from 22nd May 2014, at a remuneration not exceeding 5% of the net profits of the Company, with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Managing Director subject however that the annual remuneration does not exceed the limit approved hereinbefore.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Managing Director shall be paid the minimum remuneration as may be determined by the Nomination and Remuneration Committee which shall also have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration subject however that such minimum remuneration shall not exceed the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT in case Managing Director draws remuneration as a managerial person from another Company, the total remuneration payable by both the Companies shall not exceed the higher maximum limit permissible for any one of the Companies.”

9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow such sum or sums of money from time to time and on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company, subject to the condition that such borrowing shall not exceed Rs. 5,000,000,000 (Rupees Five Hundred Crores only) at any point in time, not withstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained by the Company from its bankers in the ordinary course of its business) may exceed the aggregate of the paid-up capital and free reserves of the Company.”

10. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT in accordance with Section 181 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, consent of the Members be and is hereby accorded to the Board of Directors to make contributions to charitable and other funds, including but not limited to scientific research and development organisations, employee welfare schemes, educational institutions, universities, medical institutions, rural development organisations, social organisations and / or charitable institutions or welfare associations or directly undertake activities for the above causes, to the extent of Rs.50,000,000 (Rupees Five Crores only) crores per annum or 5% of its average net profits for the three immediately preceding financial years, whichever is higher.”

11. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, the Registers and Returns required to be maintained by the Company under Section 88

and 92 of the Companies Act, 2013, may be maintained at the Company's Corporate Office at 64, Sardar Patel Road, Taramani, Chennai 600113, with effect from 1st August 2014.”

By Order of the Board,
For RAMCO SYSTEMS LIMITED,

Place : Chennai
Date : 22nd May 2014

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto. Information in respect of the Director seeking re-election as required to be disclosed under the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges is included in the statement.
2. A Member entitled to attend at the meeting is entitled to appoint a Proxy to attend instead of himself and the Proxy need not be a Member of the Company. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and the Share Transfer Books of the Company will remain closed on the date of the Annual general Meeting (i.e. on 28th July 2014).
4. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2013-14 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – www.ramco.com for their download.
5. Under Rule 18 of Companies (Management and Administration) Rules, 2014 Members holding shares in electronic mode who have not got their E-Mail addresses updated with the Depository Participants are requested to update their E-Mail address and any changes therein. Members holding shares in physical mode are requested to update their E-Mail address, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), by writing to them at Subramanian Building, No.1, Club House Road, Mount Road, Chennai 600 002, or by E-Mail to investor@cameoindia.com.
6. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote at the Seventeenth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):
 - I. The instructions for e-voting are as under:
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on “Shareholders” tab.
 - (iii) Select “RAMCO SYSTEMS LIMITED” from the drop down menu and click on “SUBMIT”
 - (iv) 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 and then enter the Image Verification as displayed and Click on Login).
 - (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given in points (vi) and (vii).
 - (vi) Fill up the following details in the appropriate boxes:

For Members holding shares both in Demat 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)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (Sequence number has been provided as Serial number in the address label and / or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository and company please enter the Member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' 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.
 - (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the EVSN for Ramco Systems Limited.
 - (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xiii) 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.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:evoting@cdslindia.com).
 - III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IV. The e-voting period commences on 22nd July 2014 (9:00 am) and ends on 24th July 2014 (6:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 27th June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 27th June 2014.
- VI. Shri.K.Srinivasan, Chartered Accountant (Membership No: 21510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM of the Company subject to the receipt of requisite number of votes in favour if the resolution. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ramco.com and on the website of CSDL within two days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

By Order of the Board,
For RAMCO SYSTEMS LIMITED,

Place : Chennai
Date : 22nd May 2014

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.4

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

Shri.M.M.Venkatachalam, 55 years, is a graduate in Agriculture from the University of Agricultural Sciences in Bangalore and holds Masters in Business Administration from the George Washington University, USA. He had held the position of Vice Chairman of The Planters' Association of Tamil Nadu and was the past president of The Employers' Federation of Southern India.

Shri.M.M.Venkatachalam was appointed to the Board on 5th April 2001 and he is an Independent Director of the Company in terms of Clause 49 of the Listing Agreement. His term of appointment is liable to be determined by way of retirement of Directors by rotation. He had offered himself for appointment as an Independent Director in terms of Section 149(4) and has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. The Nomination and Remuneration Committee had also recommended the appointment of Shri.M.M.Venkatachalam as Independent Director for a term of 5 years from 1st April 2014.

Considering the above, it is proposed that Shri.M.M.Venkatachalam be appointed as an Independent Director for 5 consecutive years with effect from 1st April 2014 up to 31st March 2019. In the opinion of the Board, he fulfills all the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management and his appointment as Independent Director is in the best interest of the Company.

Shri.M.M.Venkatachalam is a Director in the following other Companies:-

Sl. no	Names of the entities	Sl. no	Names of the entities
1	The Ramco Cements Limited	9	M.M.Muthiah Sons Private Limited
2	Ambadi Enterprises Limited	10	M.M.Muthiah Research Foundation
3	USV Limited	11	Ambadi Investments Private Limited

4	Coromandel International Limited	12	New Ambadi Estates Private Limited
5	Coromandel Engineering Company Limited	13	Ootacamund Club
6	Parry Agro Industries Limited	14	Alampara Hotels and Resorts Private Limited
7	Sabero Organics Gujarat Limited	15	Parry Murray and Company Furnishings & Floor Coverings (India) Private Limited
8	Polutech Limited		

He is also a Member in the following Committees:-

Name of the Company	Name of the Committee	Position
Ramco Systems Limited	Audit Committee	Chairman
	Rights Issue 2013 Committee	Member
Coromandel International Limited	Audit Committee	Member
The Ramco Cements Limited	Audit Committee	Member
	Remuneration Committee	Member

He holds no shares in the Company.

A copy of the draft letter of appointment for Shri.M.M.Venkatachalam as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Disclosure of Interest:

Except Shri.M.M.Venkatachalam, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.5

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

Shri.R.S.Agarwal, B.Sc., B.E. (Chemical Engineering), 71 years, started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

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

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

Shri.R.S.Agarwal has been appointed to the Board on 29th May 2009 and he is an Independent Director of the Company in terms of Clause 49 of the Listing Agreement. His term of appointment is liable to be determined by way of retirement of Directors by rotation. He had offered himself for appointment as an Independent Director in terms of Section 149(4) and has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. The Nomination and Remuneration Committee had also recommended the appointment of Shri.R.S.Agarwal as Independent Director for a term of 5 years from 1st April 2014.

Considering the above, it is proposed that Shri.R.S.Agarwal be appointed as an Independent Director for 5 consecutive years with effect from 1st April 2014 up to 31st March 2019. In the opinion of the Board, he fulfills all the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management and his appointment as Independent Director is in the best interest of the Company.

Shri.R.S.Agarwal is a Director in the following other Companies:-

Sl. no	Names of the entities	Sl. no	Names of the entities
1	Ramco Industries Limited	6	Elegant Marbles & Grani Industries Ltd.
2	The Ramco Cements Limited	7	Videocon Industries Ltd
3	Surya Lakshmi Cotton Mills Limited	8	Liberty Videocon General Insurance Company Limited
4	Surya Lata Spinning Mills Limited	9	Loop Mobile (India) Limited
5	GVK Jaipur Expressway Private Limited		

He is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position
The Ramco Cements Limited	Audit Committee	Chairman
	Remuneration Committee	Chairman
Ramco Industries Limited	Audit Committee	Chairman
	Remuneration Committee	Chairman
Surya Lakshmi Cotton Mills Limited	Audit Committee	Member
Surya Lata Spinning Mills Limited	Audit Committee	Member
GVK Jaipur Expressway Private Limited	Audit Committee	Member
Elegant Marbles & Grani Industries Limited	Audit Committee	Member
Videocon Industries Limited	Audit Committee	Chairman

He holds no shares in the Company.

A copy of the draft letter of appointment for Shri.R.S.Agarwal as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Disclosure of Interest:

Except Shri.R.S.Agarwal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.6

Shri.V.Jagadisan (DIN: 00058769) is a Non-Executive Independent Director of the Company.

Shri.V.Jagadisan, 81 years, is a Chartered Accountant by qualification and is a Member of Institute of Chartered Accountants of India since the year 1956. Shri.V.Jagadisan has over 57 years of professional experience. He is a senior Chartered Accountant and a Tax Consultant in Chennai.

Shri.V.Jagadisan has been appointed to the Board on 15th June 2001 and he is an Independent Director of the Company in terms of Clause 49 of the Listing Agreement. His term of appointment is liable to be determined by way of retirement of Directors by rotation. He had offered himself for appointment as an Independent Director in terms of Section 149(4) and has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. The Nomination and Remuneration Committee had also recommended the appointment of Shri.V.Jagadisan as Independent Director for a term of 5 years from 1st April 2014.

Considering the above, it is proposed that Shri.V.Jagadisan be appointed as an Independent Director for 5 consecutive years with effect from 1st April 2014 up to 31st March 2019. In the opinion of the Board, he fulfills all the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management and his appointment as Independent Director is in the best interest of the Company.

Shri.V.Jagadisan is a Director in the following other Companies:-

Sl. no	Names of the entities
1	PEC Potentiometers Limited
2	KG Denim Limited

He is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position
K G Denim Limited	Audit Committee	Chairman
	Remuneration Committee	Member
PEC Potentiometers Limited	Audit Committee	Member
Ramco Systems Limited	Audit Committee	Member
	Remuneration Committee	Member
	Compensation Committee	Member
	Allotment Committee	Member
	Rights Issue 2013 Committee	Member

He holds no shares in the Company.

A copy of the draft letter of appointment for Shri.V.Jagadisan as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Disclosure of Interest:

Except Shri.V.Jagadisan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.7

As per Section 203 (1) of the Companies Act, 2013, the Articles of Association of the Company should specifically enable the appointment of Managing Director of the Company as Chairperson of the Company as well. This provision would also apply to Vice-Chairman. As the Company's Articles of Association does not contain this provision, it is proposed to amend the Articles of Association to incorporate such an enabling provision, as mentioned in the Resolution. As per Section 14 of the Companies Act, 2013, alteration of the Articles of Association requires the approval of the Members by way of a Special Resolution.

Disclosure of Interest:

Shri.P.R.Venketrama Raja (DIN: 00331406) is deemed to be interested in the Resolution as alteration of Articles of Association is to enable him to be the Company's Managing Director as well as Vice-Chairman.

Shri.P.R.Ramasubrahmaneya Rajha, Chairman is the father of Shri.P.R.Venketrama Raja and hence is deemed to be interested in the resolution.

No other Director or Key Managerial Personnel or any of their relatives are deemed to be interested in this Resolution.

Item No.8

The Board of Directors in its meeting dated 28th January 2010 appointed Shri.P.R.Venketrama Raja (DIN: 00331357) as the Managing Director with effect from 23rd February 2010 for a period of 5 years. The same was approved by the Members

at their Annual General Meeting held on 2nd August 2010 by way of Ordinary Resolution. The Members had also approved the payment of minimum remuneration as may be determined by the Remuneration Committee of the Board in Compliance with Schedule XIII of the Companies Act, 1956 to Shri.P.R.Venketrama Raja. Based on this, the Remuneration Committee had approved the payment of following minimum remuneration to Shri.P.R.Venketrama Raja:

Sl. No.	Particulars	Remuneration
1.	Basic Pay	Rs.7,20,000 /- Per Annum
2.	Perquisites	Rs.3,60,000/- Per Annum

In addition, Shri.P.R.Venketrama Raja is eligible for Gratuity, Provident Fund, Leave encashment etc as per the remuneration structure approved by the Remuneration Committee at its meeting held on 27th January 2010.

The current tenure of Shri.P.R.Venketrama Raja is upto 22nd February 2015. Sections 196 & 197 read with Schedule V of the Companies Act, 2013 requires the payment of minimum remuneration in case of lack or inadequacy of profits to be approved by the Members by way of a Special Resolution for a period not exceeding three years.

As a Promoter and Managing Director, Shri.P.R.Venketrama Raja's leadership has led to the development of technologically superior and world-class Enterprise Resource Planning (ERP) products due to which the Company is looking forward to an exciting growth phase. In view of this, it is proposed to seek the approval of Members for re-appointment of Shri.P.R.Venketrama Raja with the following remuneration structure:

(A) In case of adequate profits:

Not exceeding 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and payable by way of Salary/ Allowances/ other Perquisites / benefits and/or Commission, as determined by the Nomination and Remuneration Committee from time to time.

(B) Minimum Remuneration in case of lack or inadequacy of profits:

Where in any financial year during the currency of the tenure of the Managing Director, we have Nil Profits or the Profits are inadequate, Managing Director shall be paid remuneration as under:

1. Remuneration payable not exceeding the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961;
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
4. Encashment of Leave at the end of the tenure.

(C) General:

1. The perquisites shall be valued in terms of the actual expenditure. However, where such actual expenditure cannot be ascertained, such perquisites shall be valued as per the Income Tax Rules.
2. MD shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member.
3. MD shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.

In accordance with the provisions of Section V of Part II of Schedule V to the Companies Act, 2013 the total remuneration payable by the Company and M/s. Ramco Industries Limited, of which also Shri.P.R.Venketrama Raja is the Vice-Chairman and Managing Director, shall not exceed the higher maximum limit permissible for any one of the Companies. Shri.P.R.Venketrama Raja holds 55,00,000 shares in Ramco Industries Limited amounting to 6.35% of its paid-up share capital. Shri.P.R. Ramasubrahmaneya Rajha (Promoter and Chairman) holds 28,82,621 shares in Ramco Industries Limited amounting to 3.33% of its paid-up share capital (Shareholding and % of share capital determined as per the 31st March 2014 Shareholding Pattern of M/s Ramco Industries Limited).

The re-appointment and the remuneration proposed fulfill the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required. A copy of the agreement containing the terms and conditions of re-appointment of Shri.P.R.Venketrama Raja is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto and including the date of the Annual General Meeting.

Brief resume, nature of expertise in specific functional areas, names of companies in which Shri.P.R.Venketrama Raja hold directorships and Memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are as below:

Shri.P.R.Venketrama Raja, 54 years, is the son of Shri.P.R.Ramasubrahmaneya Rajha, Chairman. He has a Bachelor's degree in Chemical Engineering from University of Madras in 1981 and a Masters in Business Administration from University of Michigan, USA in 1983. Shri.P.R.Venketrama Raja has over 30 years of professional experience. His line of experience has been in the overall managerial area. He is a Member on the Board of several companies of well diversified Ramco Group of industries including The Ramco Cements Limited and Ramco Industries Limited. Shri.P.R.Venketrama Raja holds 21,44,961 shares in the Company.

Shri.P.R.Venketrama Raja is a Director in the following other Companies:

Sl. No	Name of the company	Nature of Interest	Sl. No	Name of the company	Nature of Interest
1	The Ramco Cements Limited	Director	15	Ramco Systems Sdn Bhd., Malaysia	Director
2	Ramco Industries Limited	Vice-Chairman & Managing Director	16	Ramco Systems Pte. Ltd., Singapore	Director
3	Rajapalayam Mills Limited	Director	17	Sri Ramco Lanka (Private) Limited, Sri Lanka	Director
4	The Ramaraju Surgical Cotton Mills Limited	Director	18	Sri Ramco Roofings Lanka Private Limited, Sri Lanka	Director
5	Thanjavur Spinning Mill Limited	Director	19	RCDC Securities and Investments Private Limited	Director
6	Sri Vishnu Shankar Mill Limited	Director	20	Nirmala Shankar Farms & Estates Private Limited	Director
7	Sandhya Spinning Mill Limited	Director	21	Sri Nithyalakshmi Farms Private Limited	Director
8	Sri Sandhya Farms (India) Private Limited	Director	22	Ram Sandhya Farms Private Limited	Director
9	Sri Saradha Deepa Farms Private Limited	Director	23	RSL Enterprise Solutions (Pty) Ltd., South Africa	Director
10	Ramamandiram Agricultural Estate Private Limited	Director	24	Sri Harini Textiles Limited	Director
11	Nalina Agricultural Farms Private Limited	Director	25	Ramco Systems Canada Inc., Canada	Director
12	Sudharsanam Investments Limited	Director	26	Ramco Systems Australia Pty Limited, Australia	Director
13	Ramco Systems Corporation, USA	Director	27	Ramco Systems FZ-LLC, Dubai	Director
14	Ramco Systems Ltd., Switzerland	Director	28	Rajapalayam Textile Limited	Director

Shri.P.R.Venketrana Raja is a Member in the following Committees:

Sl. No	Name of the Company	Name of the Committee	Position Held
1	The Ramco Cements Limited	Audit Committee	Member
2	The Ramco Cements Limited	Project Management Committee	Member
3	The Ramco Cements Limited	Investors Grievance Committee	Chairman
4	The Ramco Cements Limited	Share/Debenture Committee	Member
5	Ramco Industries Limited	Investors Grievance Committee	Member
6	Ramco Industries Limited	Share Transfer Committee	Member
7	Ramco Systems Limited	Shareholders Committee	Member
8	Ramco Systems Limited	Allotment Committee	Member
9	Ramco Systems Limited	Rights Issue 2013 Committee	Member
10	Rajapalayam Mills Limited	Investors Grievance Committee	Member
11	The Ramaraju Surgical Cotton Mills Limited	Shareholders / Investors Grievance Committee	Member
12	Thanjavur Spinning Mill Limited	Remuneration Committee	Member

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:

I. General Information	
Nature of industry	Information Technology (Software Products)
Date or expected date of commencement of commercial production	Company was incorporated on 19 th February 1997 and the Certificate of Commencement of Business was dated 19 th June 1997
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	The details of financial performance of the Company for the years 2012-13 and 2013-14 are provided in the Annual Report 2014 which accompanies this Notice.
Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/ secondary market purchases. The Company has nine Subsidiaries the details of which are given in the Annual Report 2014 which accompanies this Notice
II. Information about the appointee	
Background details	Shri.P.R.Venketrana Raja is the Vice-Chairman & Managing Director of the Company
Past remuneration	Details of past remuneration are presented above
Recognition or awards	Under the leadership of Shri.P.R.Venketrana Raja, your Company was awarded for Excellence in Information Technology Products for Small and Medium Enterprises category, at the IMC IT Awards 2013 and many more awards and recognitions were bestowed in previous years.

Job profile and his suitability	Shri.P.R.Venketrana Raja holds a Masters in Business Administration from University of Michigan, USA. He has over 30 years of professional experience in the overall managerial area. Taking this into consideration, the Board has bestowed the leadership of the Organization to Shri.P.R.Venketrana Raja
Remuneration proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of CEO/MD levels of similar sized Information Technology companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration, Shri.P.R.Venketrana Raja does not have any other pecuniary relationship with the Company. Further, he is the son of Shri.P.R.Ramasubrahmaneya Rajha, Chairman of the Company.
III. Other information	
Reasons of loss or inadequate profits	The Company's products require more brand visibility when compared to well established global software products. The Company continues to invest heavily in research and development activities and has considerable borrowings, leading to higher interest costs. These have resulted in the Company making losses.
Steps taken or proposed to be taken for improvement	Marketing and Brand Building initiatives have been strengthened substantially. The Company is in the process of infusing equity capital through Rights Issue which will significantly reduce borrowings and the interest cost. A new leadership team is in place focusing increase in order booking and revenue and optimization of costs. These will ensure overall improvement.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future.
IV. Disclosure: As required, the information is provided under Corporate Governance Section of Annual Report 2014.	

None of the Directors and Key Managerial Personnel except Shri.P.R.Venketrana Raja as an appointee and Shri.P.R.Ramasubrahmaneya Rajha as a relative may be deemed to be concerned or interested in the Resolution.

The Notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

Item No.9

The Members of the Company, at the Annual General Meeting held on 29th July 2013, have passed an Ordinary Resolution permitting the Company to borrow such that the maximum outstanding amount shall not, at any time, exceed Rs.500 crores, under Section 293(1)(d) of the Companies Act, 1956.

As per Circular No: 4/2014 dated 25th March 2014, issued by Ministry of Corporate Affairs, the validity of such resolution passed under the Companies Act, 1956 is restricted upto 11th September 2014.

Continued borrowing may be needed in order to compete and build market leadership. The Company is planning to focus on offerings that show tremendous growth potential. The Company is consolidating and synergizing the internal assets to build futuristic solutions in its products to compete with global majors in the International market. The Company has also

embarked on taking the products to the new-age Gen-Y customers of tomorrow, driven around the product philosophy of MUSIC (an acronym for Mobility, User Interface, Social, In-Memory and Context Aware). This new focus and change would positively help the Company and its customers to embrace future trends ahead of competition and benefit immensely. Further, in order to promote brand visibility marketing spend has to be increased. All the above initiatives require sizeable investment.

Under Section 180(1) (c) of the Companies Act, 2013, the Board of Directors are entitled to borrow in excess of the Company's Paid-up Capital and Free Reserves, with the consent of the Members by way of Special Resolution. Accordingly, approval is sought from Members by way of Special Resolution to authorise the Board of Directors to borrow such that the maximum outstanding amount shall not, at any time, exceed Rs.500 crores.

As provided under Section 180(1) (c) of the Companies Act, 2013, the limit is exclusive of loans repayable on demand or within six months from the date of the loan such as short term, cash credit, discounting of bills and other short term loans of seasonal character.

Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

Item No.10

The Members of the Company had, at their Meeting held on 16th June 1999, approved by way of Ordinary Resolution under Section 293 (1) (e) of the Companies Act, 1956, contributions to scientific research and development organisations, educational institutions, universities, medical institutions, rural development organisations, social organisations and / or charitable institutions or welfare associations or directly undertake activities for the above causes upto 5% of average net profits during the preceding three financial years or Rs. 5 lakhs, whichever is greater.

The Company is involved in the setting up of Indian Institute of Information Technology (IIIT) in Srirangam, Tiruchirappalli as one of the Industry Partners. This partnership is related to the Business of the Company as the Company could derive certain benefits from this like joint development of intellectual property, manpower training etc. Your Company may also engage in similar initiatives as well as contribute for charitable purposes in the future.

As required under Section 181 of the Companies Act, 2013, approval is sought from Members by way of Ordinary Resolution to authorise the Board of Directors to make contributions to charitable and other funds as set out in the resolution. Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

Item No.11

The Register of Members and other Registers/ Returns under Section 94 of the Companies Act, 2013 is presently required to be maintained in the Registered Office. In terms of proviso to Section 94(1) and Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers/ Returns required to be maintained at the registered office can be maintained at any other place in India, in which more than one-tenth of total Members reside, if so authorised by way of a Special Resolution. It is proposed to maintain these registers at the Company's Corporate Office at No.64, Sardar Patel Road, Taramani, Chennai, since more than 10% of the Members reside in Chennai which needs the approval of Members by way of Special Resolution. Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING:

As per the provisions of Section 152 of the Companies Act, 2013, Shri P.R.Ramasubrahmaneya Rajha, Chairman, retire by rotation and is seeking re-election at the ensuing Annual General Meeting.

In terms of Clause 49 of the Listing Agreement, the following information is provided in respect of Shri P.R.Ramasubrahmaneya Rajha:

Shri P.R.Ramasubrahmaneya Rajha, Chairman, 78 years, is the son of late Shri. P.A.C. Ramasamy Raja, the founder of the Ramco Group of industries. Shri P.R.Ramasubrahmaneya Rajha obtained a bachelors degree in Physics from the University of Madras in 1955. Shri P.R.Ramasubrahmaneya Rajha has over 51 years of professional experience. His line of experience has been in the overall managerial area. He began managing the Ramco group of industries in 1962. The Ramco Group is in businesses of Cotton Yarn, Cement, Fibre Cement Products, Software and Bio Technology. Shri P.R.Ramasubrahmaneya Rajha is also a Member of the Executive Committee of the Tamil Nadu Chamber of Commerce & Industry and President of the Rajapalayam Chamber of Commerce & Industry.

He is a Director on the Board of the following other Companies:

SI.No	Names of the Entities	Nature of Interest	SI.No	Names of the Entities	Nature of Interest
1	The Ramco Cements Limited	Chairman	14	Ramco Management Private Limited	Chairman
2	Rajapalayam Mills Limited	Chairman	15	Sri Sandhya Farms (India) Private Limited	Director
3	The Ramaraju Surgical Cotton Mills Limited	Chairman	16	Ramamandiram Agricultural Estate Private Limited	Director
4	Ramco Industries Limited	Chairman	17	Nalina Agricultural Farms Private Limited	Director
5	Thanjavur Spinning Mill Limited	Chairman	18	Nirmala Shankar Farms & Estates Private Limited	Director
6	Sri Vishnu Shankar Mill Limited	Chairman	19	Sri Saradha Deepa Farms Private Limited	Director
7	Madras Chipboard Limited	Chairman	20	RCDC Securities and Investments Private Limited	Director
8	Sandhya Spinning Mill Limited	Chairman	21	Sri Nithyalakshmi Farms Private Limited	Director
9	Sudharsanam Investments Limited	Chairman	22	Ram Sandhya Farms Private Limited	Director
10	Sri Harini Textiles Limited	Chairman	23	Ramco Systems Corporation, USA	Director
11	Shri Harini Media Limited	Director	24	Sri Ramco Lanka (Private) Limited, Sri Lanka	Director
12	Rajapalayam Textile Limited	Director	25	Sri Ramco Roofings Lanka Private Limited, Sri Lanka	Director
13	The Rajapalayam Chamber of Commerce & Industry	Director			

Shri P.R.Ramasubrahmaneya Rajha is the Chairman of the Shareholders Committee (subsequently renamed as Stakeholders Relationship Committee) and a Member in Compensation Committee.

Shri P.R.Ramasubrahmaneya Rajha holds 3,62,469 equity shares in the Company. He is the father of Shri.P.R.Venketrama Raja, Vice-Chairman & Managing Director.

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

Place : Chennai
Date : 22nd May 2014

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN



RAMCO SYSTEMS LIMITED

REGISTERED OFFICE: 47, P.S.K NAGAR, RAJAPALAYAM - 626 108.
CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.

PROXY FORM

Name of the Member(s) :
Registered address :
E-mail ID :
Folio No/DP ID - Client ID :

I/We, being the Member (s) holding shares of the above named company, hereby appoint

1. Name : Address :
E-mail Id : Signature :, or failing him
2. Name : Address :
E-mail Id : Signature :, or failing him
3. Name : Address :
E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual general meeting of the company, to be held on the Monday, the 28th July 2014 at 11.45 AM at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business	
1	Adoption of Financial Statements for the year ended 31 st March 2014
2	Appointment of director in the place of Shri P.R.Ramasubrahmaneya Rajha (DIN: 00331357), who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of M/s. CNGSN & Associates, Chartered Accountants, as Auditors
Special Business	
4	Appointment of Shri.M.M.Venkatachalam as Independent Director
5	Appointment of Shri.R.S.Agarwal as Independent Director
6	Appointment of Shri.V.Jagadisan as Independent Director
7	Insertion of Article 32a in the Articles of Association
8	Appointment of Shri.P.R.Venketrama Raja as the Managing Director
9	Authority to borrow money upto Rs.500 crores
10	Authority to contribute to charitable and other funds upto Rs.5 crores per annum or 5% of average net profits for the three immediately preceding financial years, whichever is higher
11	Maintenance of Registers and Returns at the Corporate Office of the Company at Chennai

Signed this day of2014.

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Re 1/-
Revenue
Stamp

Member's Signature

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ramco

THRIVE DIGITALLY

Ramco Systems Limited

Annual Report 2013-14

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P R Ramasubrahmaneya Rajha



P R Venketrama Raja

Letter to Shareholders

"Simplicity is the ultimate sophistication". Whether it is an object or technology, the simpler it is, the more it appeals to the human senses, and the better are its chances of being liked and adopted by users.

Dear Shareholders,

Our technology focus on Cloud and Mobile have started to reap benefits with global brands acknowledging the domain expertise and improved usability of the product. With Enterprise Cloud being touted as the 'hottest' segment, globally, we are happy to state that our company is heading in the right direction. Our strategy to improve product usability, focus on global markets, and increase partner network have started to bear results.

On the revenue front, we are seeing a positive shift from Services to product/IP-led revenues. Unlike the traditional model, the revenues on cloud are spread out and recognized over a period of time. What is important is we have a healthy order book and we are delighted to inform that the order book from new customers has doubled YoY. We are also seeing a healthy mix of cloud-based booking ensuring a steady stream of recurring revenues for future. Also our revenue contribution from markets outside India have grown substantially to 69%—a testimony that global brands are choosing our solution.

We realize that the window of opportunity is short. In order to build an agile enterprise ready to address the global market opportunity, we realigned our business into three Strategic Business Units (SBU)—for ERP, HCM and Aviation. Each SBU today functions as a fully integrated unit taking complete ownership from R&D, Presales, Marketing, Implementation and Support. Having a tightly integrated chain has enabled us to address global markets more effectively and bring in more agility into the product.

While we continue to enjoy success with mid-sized organizations for Ramco ERP on Cloud, our strategy to address existing legacy ERP users with a 'Two-tier ERP' strategy has been well received with leading brands such as Mother Dairy, CavinKare and a global Tractor manufacturer choosing Ramco ERP on Cloud to connect their sub-contractors, subsidiaries and dealers, respectively. Going forward, we see good potential for such offering in the market. One of the important milestone this year was our strategic go-to-market partnership with Schneider Electric for our advance process optimization solution. We are also focusing on niche segments like EPC, Rental and Precision Manufacturing industries which have unique requirements and our solution is well-positioned to address them. Our ability to provide an integrated comprehensive solution to address the entire business from Financials to Human Capital to Assets has helped us differentiate in the market.

The major highlight of the year was the success witnessed for Ramco HCM on Cloud within a short span of its launch. With superior mobility, user-friendly screens, integration with Maps and new age features such as NFC (Near Field Communication) based attendance, the product has become an instant hit in the market. We toured the world showcasing the new product and were excited with the response received.

The Aviation business continued to grow rapidly and added 16 customers in FY 2013-14. Interestingly, we had both large and small players choosing the solution. This has been possible because of our ability to offer the customer choice of deployment (Cloud/ on-premise), flexibility in pricing and option to implement select modules based on need. Two of Asia's leading airlines got onboard Ramco Aviation Suite while we continued to be the preferred choice of low cost carriers in Europe. Our partnership with Airbus Helicopters was the highlight of the year as it reaffirms the strength of the solution to address the Heli-operator market where we are ranked among the leaders. In addition to our core offerings, our domain knowledge has translated into launch of niche solutions for the Aviation industry such as Electronic Flight Bag (EFB), Loadable Software Airplane Parts (LSAP) and Flight Contracting and Invoicing.

Overall, the foundation we set in the past years has started to pay off with global brands choosing our solution. We are today at a threshold of a successful journey ahead and would like to thank our stakeholders—you, our shareholders; clients; partners and employees—for the continued support and belief in our products and offerings. Your belief has brought us where we are and we look forward to growing together in the year ahead.

P R Ramasubrahmaneya Rajha
Chairman

P R Venketrama Raja
Vice Chairman & Managing Director

Corporate Theme

Thrive Digitally

How do organizations ensure higher ROI and growth in today's VUCA - Volatile, Uncertain, Complex and Ambiguous - environment? By consistently harnessing the power of technology to address the multi-faceted needs of internal and external stakeholders. Digitalization leads to vibrancy and flexibility in structures and processes, thus catalyzing growth and enabling organizations to thrive. At Ramco, we see our role as being catalysts for our clients' move towards becoming 'Digital-driven'.

THRIVE DIGITALLY, our new corporate theme, is an embodiment of this belief.

Customers

At Ramco, a customer is actively engaged and is welcomed with qualified expertise, insights, answers and solutions that are right for his business. It is this collaborative approach to product development which has led to customers entrusting their IT backbone to Ramco. Our R&D teams strive tirelessly to innovate and build technologically advanced solutions that solve customers' business problems in the most agile and simplest of ways.

We understand functionality alone cannot help a product succeed in today's crowded marketplace. Customers are placing utmost importance to usability and it is this market need which resulted in Ramco charting out a product philosophy of MUSIC—an acronym for Mobility, User Interface, Social, In-Memory and Context aware applications. Mobility enables the access to our products anywhere anytime, with a cool interface that reflects both transaction and analytics in a single interface. We understand that Social will play a pivotal role in the future and are gearing up to this challenge. The In-Memory capabilities of the product enables speed and solves complex problems, while context awareness ensures that the customer gets a personalized experience which maps the role, location and usage pattern of the user.

Employees

At new age Ramco, the focus is on Experimentation, Innovation and Customer delight. All employees are encouraged to be outward focused and customer driven. Employees are given the freedom to share their ideas and suggestions and enjoy every aspect of their work. There is an inherent effort to build a flat and open organization where employees are encouraged to share knowledge and grow. Innovation & fun at work are the two aspects that we preach and practice across the organization.

Working our way towards better employee welfare, Ramco, increased compensation for those who showed commitment and exemplary skills, recruited fresh faces from premier engineering and business schools and provided them with comprehensive mentoring programs.

Partners

We value the importance of partners and associates in today's globalized business environment and thus address them as "Force Multipliers". Ramco's ecosystem of partners brings together diverse relationships, resources and communities to help us develop and deliver next-gen solutions. Our Partner ecosystem consists of Business Partners, System Integration, Consulting and Technology partners. We today have 100+ partners actively interacting across the globe and finding new avenues to represent Ramco offerings.

We believe that success is a combination of various factors, resulting in an environment where all entities exist harmoniously. We firmly believe that by co-creating value, our customers, partners and employees can actively work together towards achieving success.

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RAMCO SYSTEMS LIMITED

BOARD OF DIRECTORS

Shri P R RAMASUBRAHMANEYA RAJHA
Chairman

Shri P R VENKETRAMA RAJA
Vice Chairman & Managing Director

Shri S S RAMACHANDRA RAJA
Shri N K SHRIKANTAN RAJA
Shri M M VENKATACHALAM
Shri V JAGADISAN
Shri A V DHARMAKRISHNAN
Shri R S AGARWAL

AUDITORS

Messrs CNGSN & ASSOCIATES
Chartered Accountants, Chennai

BANKERS

ICICI Bank
ING Vysya Bank
Kotak Mahindra Bank Limited
IDBI Bank Limited
AXIS Bank Limited
Yes Bank
IndusInd Bank
Karur Vysya Bank
Tata Capital Financial Services Limited
Aditya Birla Finance 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

WEBSITE

www.ramco.com

SUBSIDIARIES

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

REGISTRAR AND SHARE TRANSFER AGENT

Messrs Cameo Corporate Services Limited
Subramanian Building, No.1, Club House Road, Mount Road, Chennai - 600 002

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2014.

1. FINANCIAL RESULTS

The standalone and consolidated audited financial results for the year ended 31st March 2014 and 31st March 2013 are as follows:

Particulars	Standalone for the year ended 31 st March,		Consolidated for the year ended 31 st March,	
	2014	2013	2014	2013
	(in Rs. Mln.)		(in USD Mln.)	
Revenue from Operations	1,608.08	1,690.93	43.85	44.53
Other Income	66.71	60.82	1.60	1.51
Total Revenue	1,674.79	1,751.75	45.45	46.04
Expenditure				
- Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	-	16.79	-	0.33
- Purchase of Stock-in-trade	20.25	59.92	0.39	1.11
- Employee Benefit Expense	742.77	888.33	22.55	26.46
- Other Expenses	618.88	590.28	18.13	18.45
Total Expenses	1,381.90	1,555.32	41.07	46.35
Profit / (Loss) Before Interest, Depreciation & Amortisation, and Taxes	292.89	196.43	4.38	(0.31)
Depreciation and Amortisation Expense	371.18	324.00	6.28	6.15
Finance Costs	114.46	60.52	1.92	1.13
Profit / (Loss) Before Tax	(192.75)	(188.09)	(3.82)	(7.59)
Tax Expenses				
- Current Tax	-	-	0.14	(0.01)
- Deferred Tax	-	-	-	-
Profit / (Loss) After Tax and Before Minority Interest & Equity in Earnings	(192.75)	(188.09)	(3.96)	(7.58)
Minority Interest	-	-	(0.02)	0.04
Equity in Earnings / (Losses) of Affiliates	-	-	0.02	0.03
Profit / (Loss) for the year	(192.75)	(188.09)	(3.96)	(7.51)

2. BUSINESS OPERATIONS

Can a nimble-footed David really take on the Goliath's of ERP? Well, going by the progress we are seeing, the statement is not far from becoming TRUE.

The year 2013-14 has been a defining year at Ramco. We strengthened our foothold in the global markets by signing large multinationals, Fortune 500 companies and fast growing mid-sized organizations as clients. We also signed key strategic partners who further reinforced our market belief and helped establish our strength in newer markets. The move to internally align the teams as Strategic Business Units (SBUs) has started to pay-off. With three independent SBUs (for the three core offerings-Aviation, ERP, HCM) each holding complete responsibility across Product R&D, Pre-Sales, Marketing, Implementation, and Support has helped us streamline our focus and better address the global needs.

The partner network on the other hand has continued to yield good results. The year 2013-14 was rewarding with Ramco ERP on Cloud winning customers in countries across the Americas, Middle East, APAC and Australia, in addition to India, where we have continued to grow. The year also witnessed signing of a large multi-million order in Aviation. Our association with global technology providers has aided us strengthen our position across the globe and also helped us venture into new markets.

Ramco Systems Limited, INDIA

Our platform-centric approach to business delivery has helped carve a niche position with global System Integrators showing great enthusiasm to partner with us to wrap a layer of services on top of our solution to address specific market segments, globally. This will be a sizeable business opportunity for us in the coming years.

The Star performer:

While we have been steadily growing our ERP clientele on the cloud, the 'new kid in the block' which stormed the market with its exciting set of features and offerings this year was Ramco HCM on Cloud. The market opportunity for Cloud-based HR & Talent Management solution has been gaining momentum as Customers are investing in HCM, with focus and interest in a global view into their workforce.

Twist in the Tale: ERP for Service-centric organizations

While the market traditionally looks at an ERP from an Asset-centric business view, Ramco realized that there is a sizeable section of the market which is project-based/ people-centric. Having identified a blue ocean in the market space, many man-hours were spent in tailoring the ERP to address the services industry, which includes Consulting firms, IT/ ITeS companies, Staffing, Professional Services, among others. In order to address this segment, Ramco announced the launch of an ERP for Services industry, called Services Resource Planning (SRP). Ramco SRP tightly integrates key functions such as the ability of an organization to hire, train and retain workforce, implement projects efficiently, manage finances comprehensively and provide superior customer service levels. It also covers the entire spectrum of HR and Finance with Project Management.

Two-tier – The new Cloud mantra of MNCs:

Large Enterprises can no longer work in silos. Whether the need is to backward integrate the supply chain with a network of sub-contractors or forward integrate with dealers, a comprehensive ERP that can independently work at the user location and connect to the principal site is the need of the hour. The burgeoning cost attached with scaling the existing IT set up is making them lean towards a Cloud based application to manage their extended enterprise and ecosystem.

Ramco Connected Enterprise (RACE) addresses this niche industry requirement. Some example of large enterprises going the two-tier ERP way, include: Mother Dairy, a leader in milk and dairy segment, opted for RACE, to connect its extended network of 30+ subcontractors with an end-to-end ERP that can seamlessly integrate with its existing SAP instance at the principal site; CavinKare, a leading FMCG major who have been running their operations on SAP decided to leverage Ramco ERP on Cloud to integrate their subsidiaries Cavin Estates India, Cavin Lanka and Cavin Bangladesh. Also, world's third largest tractor manufacturer has entrusted Ramco's Connected Enterprise, to seamlessly integrate its dealer network to improve efficiency and revenue.

Ramco ERP on Cloud:

Our flagship product, Ramco ERP on Cloud has been evolving time and again, to meet with the growing business needs. Built on our unique product philosophy, MUSIC (Mobility, User Interface, Social, In-memory and Context aware), Ramco ERP on Cloud has received significant traction in both domestic and international markets. Some of the customers we have added include, MHW (US), Alignment Tools, Mother Dairy, Packaging India, Enspect Power (UK), Al Shabab Arabi Company LLC among others.

After signing French multinationals Airbus Helicopters (erstwhile Eurocopter), and Turbomeca, Ramco signed a strategic partnership with Schneider Electric, a global specialist in energy management. The partnership will see Ramco's Advanced Process Optimization software, OPTIMA, become an important part of Schneider Electric's solutions for the cement industry. Schneider Electric's strategic partnership with Ramco will deliver this much required solution, with a specific focus on optimization of kiln and mill operations, to its cement customers.

Ramco Human Capital Management (HCM) on Cloud:

In the first quarter of 2013-14, we announced the global launch of Ramco HCM on Cloud. Since the launch, the market interest and uptake has been highly encouraging with 52 customers getting on board Ramco HCM in 52 weeks. Some of our recent customers include, Sharaf DG, Bata, Puma, Omega Healthcare Management Services, Engsol among others. We also entered into strategic partnership to offer HRO Services and ventured into the Platform as a Service (PaaS) space. The newly launched HCM on Cloud focuses on bringing Mobility, a Gen-Y friendly User experience with integration into Social platforms such as Yammer & LinkedIn. The launch of NFC (Near Field Communication) based time and attendance system got the HR market excited as it took Mobility a step forward.

Growing in strength—Ramco Aviation:

Ramco's understanding of the Aviation Industry got a global endorsement when Airbus Helicopters, the global leader in civil and parapublic helicopter, announced its strategic tie-up with Ramco Aviation to offer cloud-based maintenance information systems to helicopter manufacturers, globally. The partnership agreement signed at the 2013 Paris Air Show, enables Eurocopter and Ramco Systems to offer additional mobility and functionality for the collection and treatment of MRO-related data, thereby providing highly effective and cost-efficient fleet management services that are affordable and user friendly for all operators – including those with smaller number of helicopters.

Starting the year on a high note, Ramco Aviation announced its first Aviation order of the year with Astra Airlines in Greece, closely followed by DanCopter (signed as part of partnership with Airbus Helicopters), Ellinair, Modern Logistics, Malaysia Airlines, among others. Ramco ended the year with 16 customers coming on board, globally. Our technology leadership was not just restricted to the orders we signed but also continued with the unique implementation methodology we adopted that cut down implementation time drastically. We created a record of sorts when Astra Airlines announced that it went live on Ramco Aviation on Cloud in less than 45 days.

The launch of a cloud based Aviation software has triggered a renewed interest from small aircraft operators and low cost carriers who were looking for an enterprise-class application with no CAPEX. Ramco's ability to address this segment with a Cloud solution based on a subscription based pricing, has been well received. For the first time globally, small and medium operators will get an access to adaptive, enterprise level M&E/ MRO IT Solution without heavy cost or Infrastructure load to it.

The year also marked one of the largest and longer serving customers of Ramco, Columbia Helicopters upgrade and go live on the latest series of Aviation Suite 5.7.

3. INFORMATION ON SUBSIDIARIES

As on 31st March 2014, the Company has the following nine subsidiaries, Ramco Systems Corporation, USA; Ramco Systems Limited, Switzerland; Ramco Systems Pte. Ltd, Singapore; Ramco Systems Sdn. Bhd., Malaysia; RSL Enterprise Solutions (Pty) Ltd, South Africa; Ramco Systems Canada Inc., Canada (step down subsidiary of Ramco Systems Corporation., USA); Ramco Systems FZ-LLC., Dubai; RSL Software Company Limited, Sudan and Ramco Systems Australia Pty Ltd, Australia.

There has been no material change in the nature of the business of subsidiaries during the year. A statement containing the brief financial details of the subsidiaries is included in the Annual Report.

4. PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956

As required under the Listing Agreement entered into with the Stock Exchanges, the Global Consolidated Financial Statement together with Auditors' Report thereon for the year ending 31st March 2014 is presented in this Report.

MCA had issued General Circular No. 2/2011 dated 8th February 2011, granting exemption to all companies from the provisions of Section 212 of the Companies Act, 1956, subject to compliance with conditions mentioned in the said circular. Among other things, the said circular requires the presentation of Audited Consolidated Financial statement of the holding company and all the subsidiaries in compliance with the applicable Accounting Standards and Listing Agreement in the Annual Report. In line with this, we present the Global Consolidated Financial Statements consolidating the financial statements of the Company and its nine subsidiaries viz., Ramco Systems Corporation, USA; Ramco Systems Limited, Switzerland; Ramco Systems Pte. Ltd, Singapore; Ramco Systems Sdn. Bhd., Malaysia; RSL Enterprise Solutions (Pty) Ltd, South Africa; Ramco Systems Canada Inc, Canada (step down subsidiary of Ramco Systems Corporation, USA); Ramco Systems FZ-LLC, Dubai; RSL Software Company Limited, Sudan and Ramco Systems Australia Pty Ltd, Australia. Consequently, we are not attaching the Financial Statements of these Subsidiaries.

Further, the Annual Accounts of the said subsidiaries and the related detailed information will be made available to the Shareholders of the Company and its Subsidiaries seeking such information at any point of time and the same shall be kept for inspection by any Shareholder at the Corporate Office of the Company during normal business hours on any working day.

5. CHANGES IN CAPITAL STRUCTURE

During the Financial Year 2013-14, the Share Capital of the Company has undergone change to the extent of allotment of shares to eligible employees under the Company's Employee Stock Option Scheme, 2008 (ESOS 2008), Employee Stock Option Scheme, 2009- Plan A (ESOS 2009-Plan A) and Employee Stock Option Scheme, 2009- Plan B (ESOS 2009-Plan B). The Company has allotted a total of 1,79,470 equity shares to the employees of the Company and its Subsidiaries during the year pursuant to exercise of the vested options and shares allotted under ESOS 2008, ESOS 2009 – Plan A and ESOS 2009 - Plan B.

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

Date of allotment	No. of Shares Allotted
31 st May 2013	1,840
29 th July 2013	1,125
8 th October 2013	1,275
9 th December 2013	42,815
22 nd January 2014	54,214
22 nd February 2014	29,342
27 th March 2014	48,859
Total	1,79,470

Consequent to the above the paid up share capital of the Company has increased from Rs. 15,73,71,150 (comprising of 1,57,37,115 shares of Rs.10 each) to Rs. 15,91,65,850 (comprising of 1,59,16,585 shares of Rs.10 each).

6. RIGHTS ISSUE 2013

The Board of Directors had, in the meeting held on 30th May 2013, approved a Rights Issue of equity shares to raise up to Rs. 1,250 Million ("Rights Issue") and constituted a Committee of Directors named "Rights Issue 2013 Committee" to complete the steps involved in the Rights Issue. The Company had filed the Draft Letter of Offer with Securities Exchange Board of India ("SEBI"), the BSE Limited, National Stock Exchange of India Limited and Madras Stock Exchange Limited ("Stock Exchanges") on 30th August 2013 and received the final observations of SEBI on 18th December 2013 along with a validity of one year from the date of the letter to open the Rights Issue for subscription.

Subsequently, the Company filed the Final Letter of Offer on 9th April 2014, offering 7,958,293 equity shares in the ratio of one equity share for every two equity shares held as on the Record Date of 23rd April 2014 at an issue price of Rs.155 per equity share (including a premium of Rs.145 per equity share), aggregating to Rs.1233.54 million. The issue opened for subscription on 5th May 2014 and closed on 19th May 2014 and was fully subscribed. The process of finalizing the basis of allotment, allotment of shares and obtaining the listing and trading approvals from the Stock Exchanges are in progress as on the date of this report.

7. RESEARCH AND DEVELOPMENT

As in previous years, special emphasis has been placed on Research & Development (R&D) in Ramco Systems this year. R&D efforts have been channelized towards providing various enhancements in our products such as Ramco ERP on Cloud – Standard (REOCS), Ramco ERP on Cloud – Enterprise (REOCE), Ramco VirtualWorks®, and Ramco DecisionWorks™.

Ramco ERP on Cloud – Standard (REOCS)

The year 2013-14 saw the expansion of the REOCS product into the Global market. The Product has been enhanced to address the needs of customers in UK, US, ASEAN, Australia, Africa and Middle East regions.

Quality Management Module has been added to our portfolio of capabilities. Significant Improvements have been made in the Production Module to cater to the needs of new verticals such as Foundries. The product's comprehensive process manufacturing helps to gain end to end visibility across the manufacturing cycle and allow the user to take full control of shop floor and exercise stringent control over materials, products and processes while adhering to quality and safety.

The HCM and payroll module has been completely revamped to provide an Ultra-Cool Interface through the use of Workspaces. HCM / Payroll continues to stay at the leading edge of technology through the adoption of Mobile technology, In Memory Payroll, Social Media integration and Gamification. Global Payroll has grown in leaps and bounds with the support for several countries across the globe.

Tremendous strides have been taken in the design and Development of Dealer Management System (DMS). This product is ideally suited for organizations that need a full connected and integrated dealer network.

The rapid adoption of Service Oriented Architecture (SOA) based on the Ramco iRIS Framework has facilitated ease of integration on the cloud by means of Web Services. The REOCS product provides extensive integration capabilities on the Ramco iRIS framework.

Ramco ERP on Cloud – Enterprise (REOCE)

The product has been enhanced with features to cater to the needs of the customer with the guiding principle of MUSIC (Mobile, Usability, Social, In memory and context aware). Multi-level authorization has been implemented for many transactions and even with the response from an e-mail, transactions could be either authorized or rejected. Google map integration has been done for Equipment, Warehouse and Customer location. Now many of the transactions could be performed with the ultra-cool user interface. The project monitoring, customer addition and order booking could also be done through mobile phones.

Functional improvements like, Inter-company Orders, Direct Invoices, Payments, Debit/Credit Notes, Bank Cash Transfers and Journal Vouchers, which helps to reduce the work load by auto generating the respective destination document, Workspace for Sales, Shipping, Receiving Operations, Project Tracking, EAM (Enterprise Asset management), Work Order Reporting, Lead Analysis, Shipment Process, Vendor Share Analysis, Post-dated payments and receipts, Bill generation and Supplier Invoicing with consolidated Project Progress reporting, Invoicing for Escalated Material / Resources of Projects, Auto generation of Contract and Project from Proposal, Project Resource Timesheet Allocation, Reporting, Authorisation & Monthly schedule on Gantt view, Stock Ageing report for Serial controlled & Non controlled Items, Recurring Expenses Invoices, Reports based on Multiple Provisional closure run no., Cash Positioning Report, CST computation in purchase transactions, Capturing retention and hold amount in supplier invoice were developed.

Ramco VirtualWorks®

Your Company has developed and deployed powerful solutions in various Geographies and Industry Segments for over a decade. At the heart of these offerings is our highly flexible platform - Ramco VirtualWorks®: a collaborative solution innovation platform. Its unique collaborative co-creation process results in enterprise solutions that fit like a glove, and integrate seamlessly with other technology systems, platforms and applications. Ramco VirtualWorks® enables enterprises build their next generation enterprise solution with a powerful infrastructure which provides complete control over its software assets, enables reduced time for transformation / development and exceptional quality.

Ramco VirtualWorks® comprises a Model driven development Environment, a Business Services Repository, SOA based Enterprise Solution Architecture and an Enterprise Event Bus, coupled with the Enterprise Information Management platform. Ramco VirtualWorks® also provides a comprehensive set of tools for partners as part of the Partner Development Kit (PDK). Extension Development Kit (EDK) has been enhanced for partners to develop extensions on the Cloud for Ramco OnDemand Customers. Query By Example (QBE) is a new tool provided for adhoc querying support through Ramco VirtualWorks® 3.0 framework.

To further facilitate Implementation teams with a far reaching solution, Dynamic Extensions (DynEx), a capability that enables unique behavior for every customer from a single hosted code base. This has been a very powerful innovation which enables highly dynamic implementations on the cloud.

Ramco VirtualWorks® has been enhanced significantly to provide Rich Cool User Interfaces, based on the paradigm of Works spaces. Works spaces enable users to perform a lot of their day to day activities without jumping between screens. The user has access to various functional categories, transaction history, transaction Analytics, frequently used traversals and also a simplified data entry. The User interfaces have been enhanced to provide various editing capabilities as well.

Ramco VirtualWorks® has powered Mobile Solutions by offering a comprehensive modeling and development environment for Mobile Solutions. The Mobile User Interfaces which are different from the traditional desktop solutions, have different user interface elements and different usage characteristics. Ramco Virtualworks® enables the solution development teams to model appropriate solutions for the mobile devices and deliver them on various mobile devices including iOS and Android.

Ramco VirtualWorks® provides a comprehensive infrastructure for addressing various integration needs of the customers. This enables a closer integration between solutions and an effective technology transition roadmap for the customer.

Ramco VirtualWorks® has been enriched with a powerful In-Memory process optimization engine, which being agent based, offers tremendous performance improvement for very complex application processing such as Payroll, Material Requirements Planning (MRP) and Scheduling.

Ramco VirtualWorks® addresses all the requirements for rapid enterprise application development, deployment and maintenance at the lowest possible Total Cost of Ownership (TCO). Ramco VirtualWorks® incorporates concepts such as SOA, Componentization and support for Model driven development, making it the most comprehensive application framework for developing large enterprise applications.

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Ramco DecisionWorks™

Ramco DecisionWorks™ (RDW) is a web architected product suite offering comprehensive functionalities for Querying & Reporting, Business Analytics and Planning & Budgeting.

This year significant enhancements covered all the areas of platform which include usability, performance and functionality. Significant achievements have been standardization of RDW reporting across all verticals and across all deployment models, cloud as well as on premise. Using and leveraging on RDW platform deep and rich analytics across HCM vertical has been built and released which includes Goal cascading, Compensation Planning, Head Count Planning and associated analytics covering multiple subject areas.

Ramco Aviation

Year 2013-14 saw Ramco Aviation product adding new capabilities targeted towards expanding the application footprint for the core addressable market segments. The newly developed comprehensive flight contract to billing process helps “on-demand” operators efficiently manage their flight operations and billing functions. The introduction of a full-fledged EFB running on Windows 8 tablet, seamlessly integrated with core Maintenance & Engineering (M&E) functions, was another significant achievement that will help further consolidate the market leading position of the product in the heli-operator segment. The additions of “Advanced Reliability Analysis” and configuration management functions for LSAP helps provide unique solutions to large airline operators.

With the continued focus on usability, major functions such as Engineering, Goods Receiving etc. were re-designed, which was well received by the user community. The year also witnessed the introduction of more WorkSpaces, the widely acclaimed user experience innovation pioneered by Ramco.

8. ELECTRONIC SERVICE OF DOCUMENTS

The Companies Act, 2013 and the Rules thereunder, notified with effect from 1st April 2014, have enabled electronic delivery of Notices for General Meetings, Annual Reports containing the Financial Statements, Auditor’s Report, Directors’ Report, etc., and other communications to the Members. Clause 32 of the Listing Agreement requires Listed entities to supply soft copies of the full Annual Report containing the Financial Statements, Auditor’s Report, Directors’ Report, etc., to all those Members who have registered their email address(es) for the purpose.

The Company proposes to send such Notices, Annual Reports and other communications to the Members in electronic form to their E-Mail addresses as available with the Depositories. Henceforth, the E-Mail addresses indicated in the respective Depository Participant (DP) accounts, periodically downloaded from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL), will be deemed to be the registered E-Mail address of the Members for serving such communications. Full text of the above said documents will be also be displayed on the website of the Company, www.ramco.com.

Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their E-Mail addresses updated with the Depository Participants are requested to update their E-Mail address and any changes therein. Members holding shares in physical mode are requested to update their E-Mail address, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), by writing to them at Subramanian Building, No.1, Club House Road, Mount Road, Chennai 600 002 or by E-Mail to investor@cameoindia.com.

9. PUBLIC DEPOSIT

Your Company has not accepted any deposits from the public during the year and no deposits are outstanding as at the end of financial year.

10. BOARD OF DIRECTORS AND COMMITTEES

As per the provisions of Companies Act, 2013 Shri P R Ramasubrahmaneya Rajha Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. The Board of Directors recommend the above re-appointment for approval of the Members. The brief resume and other details relating to the Director, as stipulated under Clause 49(IV) (G) of the Listing Agreement, are furnished in the Notice of Annual General Meeting being sent to the Members along with this Annual Report.

As per section 149 of the Companies Act, 2013, read with Schedule IV thereto, which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent

Directors and has prescribed their qualifications. They can also be appointed for two consecutive terms, each not exceeding five years. Your Company meets the requirement with respect to the proportion and qualification of Independent Directors under the Companies Act, 2013 and the extant Clause 49 of the Listing Agreement. In order to comply with the requirement of the tenure, under Section 149 of the Companies Act, 2013, Shri M M Venkatachalam, Shri V Jagadisan and Shri R S Agarwal are being recommended for appointment as Independent Directors for consecutive term of 5 years from 1st April 2014 till 31st March 31 2019 in the forthcoming Annual General Meeting. Further details on Composition of the Board are given under the Corporate Governance section, which is annexed to and forms part of this report.

The current term of Shri P R Venketrama Raja, Vice-Chairman & Managing Director is up to 22nd February 2015. As per the provisions of Sections 196 & 197 of the Companies Act, 2013, payment of minimum remuneration in the case of lack or inadequacy of profits has to be approved by the Members by way of a special resolution for a period not exceeding three years. To comply with this requirement, it is proposed to re-appoint him as the Managing Director of the Company under Section 196, 197 read with Section 203 and at a remuneration as per Schedule V of the said Act. In this regard, a special resolution is proposed for the approval of Members at the forthcoming Annual general Meeting of the Company.

The Company has several Committees of the Board. Details about the constitution, composition and terms of reference of the Committees are elaborated under the Corporate Governance section, which is annexed to and forms part of this report.

11. AUDITORS

M/s. CNGSN & Associates, Chartered Accountants, Chennai, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment.

As per Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditor) Rules, 2014 thereunder, no listed company shall appoint or re-appoint (a) an individual as auditor for more than one term of five consecutive years; or (b) an audit firm as auditor for more than two terms of five consecutive years. The existing tenure of the auditor shall be considered for calculating the maximum tenure permissible. However a time limit of three years from the date of commencement of the Companies Act, 2013 (i.e. 1st April 2014), has been provided to comply with these provisions. M/s. CNGSN & Associates was appointed as the auditor of the Company in the Annual General Meeting held on 11th August 2003 and have thus completed the maximum Statutory tenure. Hence, it is proposed to re-appoint them, as the Auditor of the Company from the conclusion of the forthcoming AGM till the conclusion of the AGM to be held in the year 2017, subject to ractification at every Annual General Meeting by the Members. A resolution in this regard is proposed for the approval of Members in the forthcoming Annual General Meeting. The Board of Directors recommends the Auditor's re-appointment.

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

The Particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed to, and forms part of, this report.

13. EMPLOYEE PARTICULARS

The particulars of Employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, are included in the Directors' Report by way of an annexure. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all Shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Corporate Office of the Company.

14. EMPLOYEES STOCK OPTION PLAN/ SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME

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

- (A) Employee Stock Option Plan, 2000 (ESOP 2000)
- (B) Employee Stock Option Scheme, 2003 (ESOS 2003)
- (C) Employee Stock Option Scheme, 2004 (ESOS 2004)
- (D) Employee Stock Option Scheme, 2008 (ESOS 2008)
- (E) Employee Stock Option Scheme, 2009 – Plan A (ESOS 2009-Plan A)

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

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

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

Details regarding the above mentioned schemes along with their status as per the requirements of SEBI (ESOS & ESPS) Guidelines, 1999, are annexed to, and forms part of, this report. Further, a certificate from Statutory Auditors, with respect to implementation of the above Employee's Stock Option Schemes in accordance with SEBI Guidelines and the resolution passed by the Members of the Company, would be placed before the Members at the ensuing AGM, and a copy of the same shall be available for inspection at the Corporate Office of the Company during normal business hours on any working day.

15. CORPORATE GOVERNANCE REPORT & AUDITORS CERTIFICATE

The Company is committed to maintaining high standards of Corporate Governance, protecting the Customers', Shareholders' and other Stakeholders' interests. Towards this, the Company has adopted high standards of governance principles, practices and disclosure levels.

A detailed Corporate Governance Report of the Company along with the declaration on Code of Conduct and Statutory Auditor's Certificate confirming Compliance with the conditions on Corporate Governance as stipulated in Clause 49 of the Listing agreement, are annexed to, and forms part of, this report.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirement of Clause 49 (IV) (F) of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report elaborating upon the operations of the Company is annexed to, and forms part of, this report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- that the selected Accounting Policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Annual Accounts were prepared for the Financial Year ended 31st March 2014 on a going concern basis.

ACKNOWLEDGEMENT

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

For and on Behalf of the Board

Place : Chennai

Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
CHAIRMAN

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST March 2014

ANNEXURE A

In terms of Section 217(1) (e) of the Companies Act, 1956, (as amended) and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the following information is furnished for the year ended 31ST March 2014.

(A) Conservation of Energy	:	The operations of the Company are not energy intensive and hence Form A is not presented
(B) Technology Absorption	:	Particulars given in Form B
(C) Foreign Exchange Earnings and Outgo		
i) Activities Relating to Export	:	Export of the Computer Software to Middle East and European countries.
ii) Initiatives taken to increase exports	:	Marketing efforts are being made in the subsidiaries and branches abroad to increase sales and corresponding exports.
iii) Development of new export market for products and services	:	Marketing efforts are being made in Eastern European countries and Australia.
iv) Total Foreign Exchange used (Rs. mln)	:	90.87
v) Total Foreign Exchange Earnings (Rs. mln)	:	782.33

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

SPECIAL AREAS IN WHICH THE COMPANY CARRIES OUT R&D – Ramco VirtualWorks®, Ramco DecisionWorks™, Ramco ERP on Cloud – Standard (REOCS) and Ramco ERP on Cloud – Enterprise (REOCE)

The current version of Ramco VirtualWorks® is:

- A Scalable delivery platform for custom built applications and for implementing next generation global scale business solutions that provides change on demand to ensure that the information system changes in step with the business change
- Built on Business process based Approach that is radically different from the traditional approach
- Geared for the emerging asset based delivery model that is standards compliant and supports the business process platform strategy of an enterprise
- A complete infrastructure with tight integration to an inbuilt integration and process optimization framework.

The platform has Code generators that create the application using the various models created as part of the delivery process. It provides modeling capabilities to specify the applications at different levels of granularity starting from a business process level to specifications of a data access artifact. It also possesses an application preview facility to visualize applications and get user acceptance before they are assembled. Impact analysis support on the models helps to clearly identify the artifacts that need to be changed / created / removed for a change request.

During the year R&D investments have been in the following areas:

1. Ramco ERP on Cloud – Standard has been enhanced with the development of DMS and Quality Module.
2. Statutory requirements for implementing ERP in countries like Australia and UK have been completed.

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3. The latest release has been modified to support a Rich User interface based on Workspaces.
4. Using Ramco iRIS, integration platform, several integration services have been created to enable the integration of Ramco ERP on Cloud with other platforms.
5. Ramco Minnal based MRP – Research in progress to leverage Ramco Minnal in creating online MRP
6. Support for Mobile based transactions in the product to offer Mobile Solutions on the iPhones.

Benefits derived as a result of the above R&D:

- Expansion of Ramco offerings into more countries, domains and verticals.
- Availability of standard functionalities to address more industry segments thus enhancing order wins and profitability.
- Ability to engage suitable business partners in delivering and implementing solutions to the end customer organizations.

Future Plan of Action:

The Company continues to undertake research and development activities with the following objectives:

1. To add pre-built solution functionalities to cover more vertical segments.
2. Ramco ERP On Cloud Automation initiative to enable rapid customer deployment and implementation through a widespread partner ecosystem.
 - To facilitate rapid Self Service based Customer enrolment, Customer enablement, Account Management and Usage Monitoring for customers/Partners
 - To Automate Partner development processes
 - To Automate Provisioning and Rapid Implementation enablement
 - To facilitate Training Automation
 - To enable Deployment Automation and System Health Monitoring

Expenditure on R&D (Refer Schedule 6 to R&D Accounts)

Particulars	(Rs. Min.)
Capital	0.03
Recurring	618.13
Total	618.16
Total R&D expenditure as a percentage of total turnover	38%

ANNEXURE B

DETAILS OF EMPLOYEE STOCK OPTION SCHEMES / PLAN

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

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

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

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

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

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

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

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

Details of options granted, vested and exercised as on 31st March 2014:

Date of grant	Number of options granted	Vesting Period	Exercise Price	Options exercised and shares issued	Live vested options (net of cancellations and employee separations)
12 th April 2001	1,26,150	2 to 3 years	Rs. 254 per option	11,750 shares*	Nil
14 th December 2003	67,700	3 years	Rs. 254 per option**	19,950 shares	Nil
4 th October 2006	87,500	3 years	Rs.177 per option	Nil	1,300 exercisable till 3 rd October 2019

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

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

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

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

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

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Details of options granted, vested and exercised as on 31st March 2014:

Date of grant	Number of options granted	Vesting Period	Exercise Price	Options exercised and shares issued	Live vested options (net of cancellations and employee separations)
14 th December 2003	4,64,500	3 years	Rs. 284 per option*	37,975 shares*	500 exercisable till 13 th December 2016
1 st December 2005	9,200	3 years	Rs. 266 per option	Nil	Nil
4 th October 2006	2,19,800	3 years	Rs.177 per option	Nil	1,900 exercisable till 3 rd October 2019
14 th July 2007	1,01,100	3 years	Rs. 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.

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

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

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

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

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

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

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

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

Details of options granted, vested and exercised as on 31st March 2014:

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

(D) Employee Stock Option Scheme, 2008:

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

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

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

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

Details of options vested, exercised, lapsed etc for ESOS 2008 are given in the table below titled "Status of live ESOS under which options have been granted, as at 31st March 2014".

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

ESOS 2009 – Plan A

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

At the meeting of the Compensation Committee held on 27th October 2009, 20,000 stock options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at an exercise price of Rs.98 per share. Further 20,000 options were granted at the meeting of the Compensation Committee held on 22nd December 2011 at an exercise price of Rs. 61 per share.

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

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

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

Details of options vested, exercised, lapsed etc for ESOS 2009 Plan-A are given in the table below titled "Status of live ESOS under which options have been granted, as at 31st March 2014".

ESOS 2009 – Plan B

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

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

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

Further to this, the Compensation Committee granted further 85,000 options to eligible employees on 17th May 2012. Out of the 85,000 options, 25,000 options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at an exercise price of Rs. 10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting. The balance 60,000 options were granted to Shri Virender Aggarwal, Chief Executive Officer of the Company, at an exercise price of Rs. 115 per share, 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 2009 Plan-B are given in the table below titled "Status of live ESOS under which options have been granted, as at 31st March 2014".

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

The shareholders at the Sixteenth Annual General Meeting held on 29th July 2013, have approved, an issue of 10,00,000 stock options convertible into equity shares of Rs.10/- each with the number of stock options that could be granted to the Non- Executive Directors of the Company not exceeding 2,00,000 options per year and 4,00,000 options in aggregate. A detailed scheme is to be framed in this regard.

Status of live ESOS under which options have been granted, as at 31st March 2014:

Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009- Plan B
Options Granted	14,33,875	5,57,220	6,58,330
Exercise Price in Rs- Pricing Formulae (Price per share)	50,000 options @ Rs.143 25,000 options @ Rs.138 50,000 options @ Rs.125 95,000 options @ Rs. 87 65,000 options @ Rs. 241 20,000 options @ Rs. 204 290,788 options @ Rs. 53	20,000 options @ Rs. 98 20,000 options @ Rs. 61 60,000 options @ Rs.115 25,000 options @ Rs. 10 193,431 options @ Rs. 94	25,000 options @ Rs. 10 60,000 options @ Rs.115 298,210 options @ Rs. 94
Options Vested	7,05,663	3,43,705	4,16,160
Options Exercised	3,58,625	43,774	56,200
Options Lapsed	4,79,462	1,95,015	2,18,920
Total Number of Shares arising as a result of exercise of options	3,58,625	43,774	56,200
Options in force	5,95,788	3,18,431	3,83,210
Unvested Options	2,48,750	18,500	23,250
Money realized by exercise of options	1,90,07,125	41,14,756	52,82,800
Details of options granted in Financial Year 2013-14 to:			
1. Key Managerial Personnel	Nil		
2. Non Executive Directors	ESOS 2009 - Plan A Shri. A V Dharmakrishnan- Non executive Director: 5,000 options		
3. Employees who received a grant in the year amounting to 5% or more of options granted during the year	ESOS 2008 Shri. Mahesh Venkatraman- Vice President-Cloud Delivery & Operations: 20,000 options Shri. Manoj K Singh- Sr. Vice President - Aviation & MRO solution: 25,000 options Shri. Ramesh Babu- Chief Delivery Officer : 25,000 options Shri. Subbaraman Ramaswamy- Vice President - Asia Business: 25,000 options Smt. Charu Kapur- Senior Vice President - Americas: 25,000 options Shri. Raghvendra Tripathi- Vice President: 20,000 options Shri. Rohit Mathur- Vice President - Business Excellence: 20,000 options Shri. Harikrishnan- Vice President - Middle East And North Africa: 20,000 options		
4. Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions)	Nil		
Vesting Schedule	4 years	3 years#	3 years#
Lock – In	Nil	Nil	Nil

The compensation committee of the board of directors has approved that the vesting schedule in respect of options granted to Shri. A.V. Dharmakrishnan, Non executive Director during the financial year 2012-13 and 2013-14 is 1 year.

Note: The employee compensation cost on account of options granted is accounted on intrinsic value method. If such cost were computed using fair value of the options (using Black Scholes Merton model), it would have been higher by Rs. 45,97,598. The standalone loss for the year would have been higher by Rs. 41,72,598 (after giving effect to Rs. 4,25,000 already considered in the Profit and Loss Account for the year). On this basis, the basic & diluted EPS would have been Rs. (12.49). The weighted average risk free interest rate of 7.27%, weighted average expected life of options of 10 years, weighted average volatility of

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4.00% and weighted average market price of Rs. 99.63 have been assumed in arriving at the above mentioned fair value of the options. The weighted average exercise price of options granted is Rs. 99.65 when the exercise price is equal to market price and Rs. 10.00 when it is less than market price. The weighted average fair value of options granted is Rs. 55.25 when the exercise price is equal to market price and Rs. 89.05 when it is less than market price..

DETAILS OF EMPLOYEE SHARE PURCHASE SCHEME / PLAN

(A) Employee Share Purchase Plan, 1999 (ESPP 1999):

During the year 1999-00, the Company had established Employee Share Purchase Plan (ESPP) which provided for the issuance of 11,00,000 shares to eligible employees (including certain employees of the subsidiaries). The shares were issued to an employee welfare trust called the RSL Employee Trust ("Trust") at Rs.10 each and Re.1 was paid up by the Trust as application money. Subsequently, the Trust expressed its inability to pay the remaining money due on all the 11,00,000 shares and offered to pay the balance amount (i.e., Rs.9 per share) only in respect of 2,50,000 shares. Accordingly, 8,50,000 shares were forfeited. The balance 2,50,000 shares have been allotted to the RSL Employee Trust. The Trust transferred equity shares to the employees at par (i.e., Rs.10 each) as per their grade and number of years of services under an agreement of sale, whereby the employees would need to be in the employment of the Company over a four year period to get the shares on a progressive basis.

Further, 50,000 shares were transferred by the Trust to an employee of the Company during the year. As at the date of the report 34,125 equity shares remained with the Trust.

(B) Employee Stock Purchase Scheme, 2004 (ESPS 2004):

The Shareholders at their Extra-Ordinary General Meeting held on 24th December 2004, have approved the issue of 1,00,000 equity shares of Rs.10 each under the scheme to Senior Key Managerial Personnel including Independent Directors, President, CEO and other employees of the Company as well as of the Subsidiaries. The Compensation Committee, at its meeting held on 22nd December 2011, had approved the detailed terms of ESPS 2004. At the meeting held on 17th May 2012, the Compensation Committee has offered to allot the 1,00,000 shares to Shri Virender Aggarwal, Chief Executive Officer of the Company for Rs.10 per share with one year lock-in from the date of allotment. Upon acceptance and receipt of consideration from Shri Virender Aggarwal the 1,00,000 shares were allotted to him on 28th May 2012 by the Allotment Committee.

ANNEXURE C

A. REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Ramco is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, Ramco Systems Limited endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance framework reflecting the values of the entity are ingrained in the functions. The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31st March 2014.

1. BOARD OF DIRECTORS

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

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management. The Chairman of the Board is a Non-Executive Promoter Director. As at 31st March 2014, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges.

As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, none of the Directors is a Member of more than ten Board level Committees nor is any of them a Chairman of more than five Board level committees, in which they are Members.

The Company is managed by the Vice Chairman & Managing Director and is assisted by the Management Team headed by the CEO.

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

a) Composition of the Board

Sl. No.	Name of the Director	Category (as per the extant Clause 49 of the Listing Agreement)
1	Shri P R Ramasubrahmaneya Rajha	Non Executive Promoter Director
2	Shri P R Venketrama Raja	Executive Promoter Director
3	Shri S S Ramachandra Raja	Non Executive Director
4	Shri N K Shrikantan Raja	Non Executive Independent Director
5	Shri M M Venkatachalam	Non Executive Independent Director
6	Shri V Jagadisan	Non Executive Independent Director
7	Shri A V Dharmakrishnan	Non Executive Director
8	Shri R S Agarwal	Non Executive Independent Director

b) Board Procedure

The Board has a formal schedule of matters reserved for its consideration and decision. Agenda papers for the Board/ Committee Meetings containing all necessary information / documents are made available to the Board/ Committee, respectively, in advance to enable the Board /Committee to discharge its responsibilities effectively and take informed decisions. The senior executives make presentations to the Board.

The Board of Directors meet at regular intervals and decisions are taken at the Meetings after detailed discussions and evaluation of the subject. After the Meetings, the Company has a formal system for follow up, review and reporting. The actions taken on the Board/Committee Meetings and decisions arrived at are reported at its next meeting for being reviewed by the Board/Committee(s). Amongst other things, the Board considers the following matters:

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- Strategy and Business plans;
- Annual Operating and Expenditure Budgets;
- Statutory Compliances;
- Adoption of Quarterly/Half Yearly/Annual results;
- Minutes of Meetings of the Board Committees; and
- Minutes of Board Meetings of the Subsidiaries

In accordance with the code of Corporate Governance and based on the requirements to focus on special areas, the Board has constituted several Committees to deal with specific matters and delegated powers for different functional areas.

c) Meetings and Attendance

The Board met five times during the year on 30th May 2013, 1st July 2013, 29th July 2013, 23rd October 2013, and 12th February 2014. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows:

Name of the Director	Designation	Attendance	
		Board Meetings	Last AGM
Shri P R Ramasubrahmaneya Rajha	Chairman	5	Yes
Shri P R Venketrama Raja	Vice Chairman & Managing Director	4	Yes
Shri S S Ramachandra Raja	Director	5	Yes
Shri N K Shrikantan Raja	Director	4	Yes
Shri M M Venkatachalam	Director	4	Yes
Shri V Jagadisan	Director	5	Yes
Shri A V Dharmakrishnan	Director	5	Yes
Shri R S Agarwal	Director	5	Yes

Shri M M Venkatachalam, Director and Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th July 2013 as required by Section 292A of the Companies Act, 1956.

2. AUDIT COMMITTEE

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

a) Composition:

The Audit Committee comprises of three Non-Executive Directors with any two, subject to presence of minimum two Independent Directors, forming the Quorum. Shri M M Venkatachalam, Shri V Jagadisan and Shri S S Ramachandra Raja are the Members of the Committee, with Shri M M Venkatachalam being the Chairman. The Senior Management team of the Company comprising of the Chief Executive Officer and the Chief Financial Officer, the Statutory Auditor and the Internal Auditor are invited to attend the Meetings of the Committee, as Invitees. The Company Secretary is the Secretary to the Committee.

b) Terms of Reference in brief

The primary objective of the Committee is to monitor and provide effective supervision of the financial control and reporting system. The Audit Committee reviews the business of the Company at regular intervals and makes appropriate recommendations to the Board for its approval. The terms of reference of the Committee, which are in line with the requirements of the Clause 49 of the Listing Agreement and the provisions of Section 292A of the Companies Act, 1956, inter-alia comprise the following:

- Oversight of the Company's Financial Reporting and disclosure of its financial information
- Reviewing with the Management, the Quarterly Financial Results before submission to the Board for its approval
- Reviewing with the Management, the Annual Financial Results / Statements before submission to the Board for its approval

- Reviewing the adequacy of Internal Control Systems
- Discussion with the Internal Auditor on significant findings and follow up thereon
- Reviewing of the Capital Expenditure Plans and the status relating thereto
- Monitoring the Company's Cost Control Measures
- Reviewing of compliance with Accounting Standards and
- Approval of appointment of CFO, before finalization by the Management

Note: The Board, in the meeting held on 22nd May 2014, has modified the terms of reference of the Audit Committee as per the requirements of The Companies Act, 2013.

c) Meetings and attendance

During the year the Committee met four times, viz., 28th May 2013, 24th July 2013, 14th October 2013 and 11th February 2014. The attendance of the Members of the Audit Committee is as follows:

Name of Members	Meetings Attended
Shri M M Venkatachalam	4
Shri S S Ramachandra Raja	3
Shri V Jagadisan	3

3. REMUNERATION COMMITTEE

a) Composition:

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

Shri M M Venkatachalam	- Chairman
Shri V Jagadisan	- Member
Shri N K Shrikantan Raja	- Member

b) Terms of Reference in brief

The scope of the Committee inter-alia includes the following:

- Determination of remuneration package of all the Directors of the Company;
- Determination of the service contracts, notice period and severance fees;
- Determination of eligibility of the Directors for stock options, if any and other modalities relating thereto.

c) Meetings and attendance

The Quorum for the meeting is presence of two Members. The Company Secretary is the Secretary to the Committee. During the year there was no meeting of the Remuneration Committee.

d) Remuneration Policy:

The Remuneration policy of the Company has been structured to match the market trends of the industry and to attract the best talents of the sector. The scales of remuneration are determined based on the levels of responsibility and scales prevailing in the industry. The Board of Directors of the Company had authorized the Remuneration Committee to fix the remuneration package of the Managing Director. Accordingly, the remuneration package of the Managing Director, including its break up into fixed component and performance linked incentive, along with the performance criteria are determined by the Remuneration Committee.

e) Remuneration to the Directors:

No Remuneration is payable to the Non-Executive Directors except sitting fees. No sitting fee is paid to the Executive Director for attending the Meetings of the Board or the Committees thereof. The Sitting fees payable to the Directors have been approved by the Members of the Company at the Annual General Meeting held on 9th December 2005. Further, the Members have authorized the Board of Directors of the Company to vary the amount of sitting fees payable to the Directors for attending the Meetings of the Board of Directors and any of the Committees constituted, within such maximum permissible limit as may be prescribed under the Companies Act, 1956, Rules made and Notifications issued thereunder from time to time. As at present, the sitting fees payable to each of the Directors per meeting is as follows:

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	(Amount in Rs.)
Board	5000/-
Audit Committee	5000/-
Shareholders Committee	2500/-

f) Directors' Shareholding

The Compensation Committee has so far granted options to one of the Directors as follows:

S.No	Name of the Director	Date of the Compensation committee meeting	No of options granted	Terms and Conditions
1.	Shri A V Dharmakrishnan, Non-Executive Director	27 th October 2009	20,000	20,000 options was granted under ESOS 2009 - Plan A at an exercise price of Rs. 98 per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 25 th October 2022
2.	Shri A V Dharmakrishnan, Non-Executive Director	22 nd December 2011	20,000	20,000 options was granted under ESOS 2009 - Plan A at an exercise price of Rs. 61/- per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 21 st December 2024
3.	Shri A V Dharmakrishnan, Non-Executive Director	17 th May 2012	45,000	20,000 options was granted under ESOS 2009 - Plan A and 25,000 options under ESOS 2009 – Plan B at an exercise price of Rs.10 per share as per SEBI guidelines with a vesting period of 1 year and an exercise period of 10 years from the date of vesting of the final lot, i.e. 16 th May 2023
4.	Shri A V Dharmakrishnan, Non-Executive Director	31 st May 2013	5,000	5,000 options was granted under ESOS 2009 - Plan A at an exercise price of Rs. 10/- per share as per SEBI guidelines with a vesting period of 1 year and an exercise period of 10 years from the date of vesting of the final lot, i.e. 30 th May 2024

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

The details of the Shares held by the Directors of the Company as at 31st March 2014 are as follows:

Name of the Director	No. of Shares Held	Percentage to Capital
Shri P R Ramasubrahmaneya Rajha	3,62,469	2.28
Shri P R Venketrama Raja	21,44,961	13.52
Shri S S Ramachandra Raja	30,158	0.19
Shri N K Shrikantan Raja	6,702	0.04
Shri M M Venkatachalam	Nil	Nil
Shri V Jagadisan	Nil	Nil
Shri A V Dharmakrishnan	2,484	0.02
Shri R S Agarwal	Nil	Nil
Total	25,46,774	16.05

Note 1: The Board, in the meeting held on 22nd May 2014, has re-christened the Committee as Nomination and Remuneration Committee and modified the terms of reference as per the requirements of The Companies Act, 2013.

Note 2: 34,125 Shares of the Company are held by RSL Employees Trust in which Shri M M Venkatachalam and Shri V Jagadisan are the Trustees.

4. SHAREHOLDERS COMMITTEE

The Company attaches highest importance to Investor Relations. The Board of Directors of the Company have constituted the Shareholders Committee of the Board to focus on the prompt and effective redressal of the Shareholders grievances and strengthening of Investor Relations.

a) Composition

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

Shri P R Ramasubrahmaneya Rajha	- Chairman
Shri P R Venketrama Raja	- Member
Shri N K Shrikantan Raja	- Member

The Quorum for meeting of Shareholders Committee is presence of two Members of the Committee. The Company Secretary of the Company is the Secretary to the Committee.

b) Terms of Reference in brief

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

c) Meetings and attendance

During the year the Committee met once on 30th May 2013. All the Members were present at the meeting.

d) Status of Shareholders' Grievances

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

During the year, the Company has not received any Shareholders' Grievances. There were no Shareholders' Grievances pending as at 31st March 2014.

e) Name and designation of Compliance Officer

Shri G Venkatram, Company Secretary, is the Compliance Officer as per Clause 47(a) and (f) of the Listing Agreement entered with the Stock Exchanges.

Note: The Board, in its meeting held on 22nd May 2014, has re-christened the Committee as Stakeholders Relationship Committee and modified the terms of reference as per the requirements of The Companies Act, 2013.

5. COMPENSATION COMMITTEE

a) Composition

The Board of Directors of the Company in Compliance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, constituted a Compensation Committee with three Non-Executive Directors as its Members, as mentioned below:

Ramco Systems Limited, INDIA

Shri M M Venkatachalam	- Chairman
Shri P R Ramasubrahmaneya Rajha	- Member
Shri V Jagadisan	- Member

The Quorum for meeting of Compensation Committee is presence of two Members of the Committee. The Company Secretary of the Company is the Secretary to the Committee.

b) Terms of Reference in brief

The primary objective of the Committee is to review the compensation levels across various positions in the Company, in order to ensure that the Company offers attractive compensation in line with the industry standards, to retain and develop best talent. It also administers the grant of stock option under various schemes of the Company.

c) Meetings and attendance

During the year, the Committee met four times, viz., 31st May 2013, 29th July 2013, 7th March 2014 and 27th March 2014. The attendance of the Members of the Committee is as follows:

Name of Members	Meetings Attended
Shri M M Venkatachalam	4
Shri P R Ramasubrahmaneya Rajha	4
Shri V Jagadisan	4

6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

ALLOTMENT COMMITTEE

a) Composition

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

Shri M M Venkatachalam	- Member
Shri V Jagadisan	- Member
Shri P R Venketrama Raja	- Member

b) Terms of Reference in brief

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

c) Meetings and attendance

During the year the Allotment Committee met seven times, viz., 31st May 2013, 29th July 2013, 8th October 2013, 9th December 2013, 22nd January 2014, 22nd February 2014 and 27th March 2014 for allotting shares to employees pursuant to exercise of Employee Stock Option Schemes. The attendance of the Members of the Committee is as follows:

Names of Member	Meetings Attended
Shri M M Venkatachalam	7
Shri V Jagadisan	7
Shri P R Venketrama Raja	7

RIGHTS ISSUE 2013 COMMITTEE

a) Composition

The Board of Directors, at the meeting held on 30th May 2013, had approved the Rights Issue 2013 and constituted a Rights Issue 2013 Committee with the following Members:

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

b) Terms of Reference in brief

The scope of the Committee comprises of overseeing the entire process of the proposed Rights Issue 2013.

c) Meetings and attendance

During the year the Committee met once on 30th August 2013. All the Members were present at the meeting.

7. GENERAL BODY MEETINGS

The following are the details of Date, Location and Time of the General Meetings held during last three financial years.

Date	Meeting	Location	Time
10 th August 2011	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 AM
2 nd August 2012	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 AM
29 th July 2013	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	12.30 PM

At the Annual General Meeting held on 29th July 2013, there were two special resolutions in relation to formulation of Employee Stock Option Scheme 2013, which was passed unanimously by the Members. There were no special resolutions passed at the Annual General Meetings held on 2nd August 2012 and 10th August 2011.

8. POSTAL BALLOT

There were no resolutions that were required to be passed by means of a postal ballot by the Members of the Company during the year ended 31st March 2014. None of the resolutions to be placed at the ensuing Annual General Meeting are required to be passed by the Members through Postal Ballot.

9. CODE OF CONDUCT

The Board of Directors of the Company has laid down the following Code of Conduct for all the Board Members and Senior Management of the Company and the same has been posted on the website of the Company; www.ramco.com, in Compliance with the provisions of Listing Agreement with the Stock Exchanges.

This Code of Conduct shall apply to the Directors and Senior Management personnel of Ramco Systems Limited, who shall affirm Compliance with this Code on an annual basis as at the end of each Financial Year.

A. Code of Conduct for Directors

Director being a Trustee of the Shareholders shall –

- i. Act always in the best interest of the Shareholders.
- ii. Maintain a high standard of probity in his relations with the Company, its Subsidiaries, Employees, Contractors, Suppliers and Customers.

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- iii. Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- iv. Always conduct himself in a manner that befits his position.
- v. Assist the Company to observe the provisions of the Company Law and other laws applicable to the Company, both in letter and in its spirits.
- vi. Not use this position to any manner to his personal advantage or that of his family or friends.

B. Code of Conduct for Senior Management Personnel

A Senior Managerial person is one who occupies the rank of General Manager or above and designated from time to time as a Senior Managerial person.

A Senior Managerial personnel shall –

- i. By his personal behavior and conduct, set an example to his fellow employees.
- ii. Conduct himself in a manner that upholds his integrity, rectitude and fair name of the Company and give no occasion to the Management to explain his actions or behaviors.
- iii. Refrain his position for personal benefit from the Employees, Contractors, Suppliers and Customers of the Company.
- iv. Maintain the confidentiality of the Company's information that has come to his notice, except where disclosure is authorized in writing by the Management.
- v. Observe all prescribed safety and environmental related norms.
- vi. Not divulge to any Member of the press or media any matter concerning the Company unless authorized by the Management.
- vii. Not engage himself in any business relationship or commercial activity with or without remuneration, without the prior written permission of the Management.

All the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the applicable Code of Conduct for the year ended 31st March 2014. The declaration from Shri P R Venketrama Raja, Vice Chairman, & Managing Director and Shri Virender Aggarwal, Chief Executive Officer regarding the affirmation of Compliance with Code of Conduct for the year ended 31st March 2014, is annexed to, and forms part of, this report.

The Company has also framed a Code of Conduct for prevention of Insider Trading in Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all the Directors / Officers and Designated Employees. The Code regulates dealing in shares by persons having access to un-published price sensitive information.

10. DISCLOSURES

There were no transactions of the Company of material nature, entered with its Promoters, the Directors or the Management, their Subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

The Company has complied with the requirements of the SEBI and the Stock Exchanges on the matters relating to the Capital Markets as applicable from time to time. There has been no instance of non-compliance by the Company or penalty or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.

The Company has complied with all the mandatory requirements of the extant Clause 49 of the Listing Agreement prescribed by the Stock Exchanges.

11. CEO/CFO CERTIFICATION

The Vice Chairman & Managing Director of the Company Shri P R Venketrama Raja, Chief Executive Officer of the Company Shri Virender Aggarwal along with Chief Financial Officer of the Company Shri R Ravi Kula Chandran, have certified compliance with the stipulations of Clause 49(V) of the Listing Agreement in relation to the Annual Financial Statements for the year 2013-14.

12. MEANS OF COMMUNICATION

The Board of Directors of the Company considers and adopts the Un-audited Financial Results in the prescribed format within 45 days of the close of every Quarter and disseminates the results to the Stock Exchanges where the Company's shares are listed. In case of the last Quarter, the Board of Directors considers and adopts the Annual Audited Financial Results within 60 days from the end of the respective Financial Year and disseminates the same to the Stock Exchanges where the Company's shares are listed. The consolidated Quarterly/Annual Financial Results are published within 48 hours in the newspapers viz., Financial Express, Business Standard (English) and Makkal Kural (Tamil) and the Standalone Quarterly/Annual Financial Results are posted on the Company's website.

SEBI vide its Circular No. CIR/CFD/DIL/10/2010 dated 16th December 2010, has mandated every listed Company to maintain a website in order to ensure public dissemination of all basic information about the Company and that it should contain all updated filings with the Stock Exchanges and agreements entered into with Media Companies, if any. In accordance with this, all Statutory filings with the Stock Exchanges like Shareholding Pattern, Annual Reports etc. are placed on the Company's website for information of the Investors. The Company's official website, www.ramco.com, has in it a separate page for Investor Relations, wherein agreement with media Companies, the Quarterly Financial Results, Shareholding Patterns, important announcements to the Stock Exchanges are hosted. Press briefings are held after important occasions viz., announcement of Quarterly Results, new tie-ups etc., which is disclosed to the Stock Exchanges.

The Companies Act, 2013 and the Rules thereunder, notified with effect from 1st April 2014 have enabled electronic delivery of Notices for General Meetings, Annual Reports containing Balance Sheet, Profit & Loss Account, Auditor's Report, Directors' Report etc., and other communications to the Members. More details regarding "Electronic Service of Documents" are presented in the Directors' Report.

SEBI had vide Circular No. SEBI/CFD/DIL/LA/4/2007/27/12 dated 27th December 2007, has amended the Listing Agreement by introducing Clause 52, which provides for filing of documents through Corporate Filing and Dissemination System (CFDS) which has been put in place jointly by the Bombay Stock Exchange Limited and the National Stock Exchange of India limited. Further, vide Circular No. CIR/CFD/DCR/3/2010 dated 16th April 2010 SEBI has discontinued the EDIFAR website pursuant to introduction of CFDS. As on date, CFDS is mandatory for Companies which are notified by the Stock Exchanges, under which the Company is not covered. Accordingly, the Company will adopt CFDS disclosure when notified by the Stock Exchanges. Thereafter, the Shareholders are also requested to view the information at www.corpfiling.co.in.

Shareholders are being provided with timely information on all Company related matters. As further efforts towards effective Investor Grievance redressal measure and in compliance with the provisions of Clause 47(f) of the Listing Agreement with the Stock Exchanges, the Company has designated an exclusive E-Mail id, investorcomplaints@ramco.com to enable the investors to lodge their complaints. The investors are requested to kindly make use of the same.

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B. GENERAL SHAREHOLDER INFORMATION

1. Details of the forthcoming Seventeenth Annual General Meeting

1.	Date	28 th July 2014
2.	Day	Monday
3.	Time	11.45 A.M.
4.	Venue	Shri P A C Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam – 626 108

2. Financial Calendar for 2014-15 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2014-15 are as under:

Financial Results for the Quarter ending 30 th June 2014	Between 15 th July & 14 th August 2014
Financial Results for the Quarter ending 30 th September 2014	Between 15 th October & 14 th November 2014
Financial Results for the Quarter ending 31 st December 2014	Between 15 th January & 14 th February 2015
Financial Results for the year ending 31 st March 2015	Between 15 th May & 30 th May 2015
Eighteenth Annual General Meeting of the Company, for the year ending 31 st March 2015	July / August, 2015

3. Book Closure

In order to comply with the provisions of Clause 16 of the Listing Agreement, the Register of Members of the Company and the Share Transfer Books would remain closed on 28th July 2014 on the date of the seventeenth Annual General Meeting.

4. Listing on Stock Exchanges

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

Name of the Stock Exchange	Address	Stock Code
Madras Stock Exchange Limited	No.11, Second Line Beach, Chennai – 600 001	RSST
Bombay Stock Exchange Limited	Phiroze Jhejeebhoy Towers, Dalal Street, Mumbai – 400 001	532370
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	RAMCOSYS

In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2014-15 have been paid to the Stock Exchanges, where the shares of the Company are listed.

5. Depositories

The equity shares of the Company are admitted in the following Depositories of the country under the International Securities Identification Number (ISIN) INE246B01019. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

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

The Company has paid the custodial charges to the respective Depository for the financial year 2014-15.

6. Corporate Identity Number

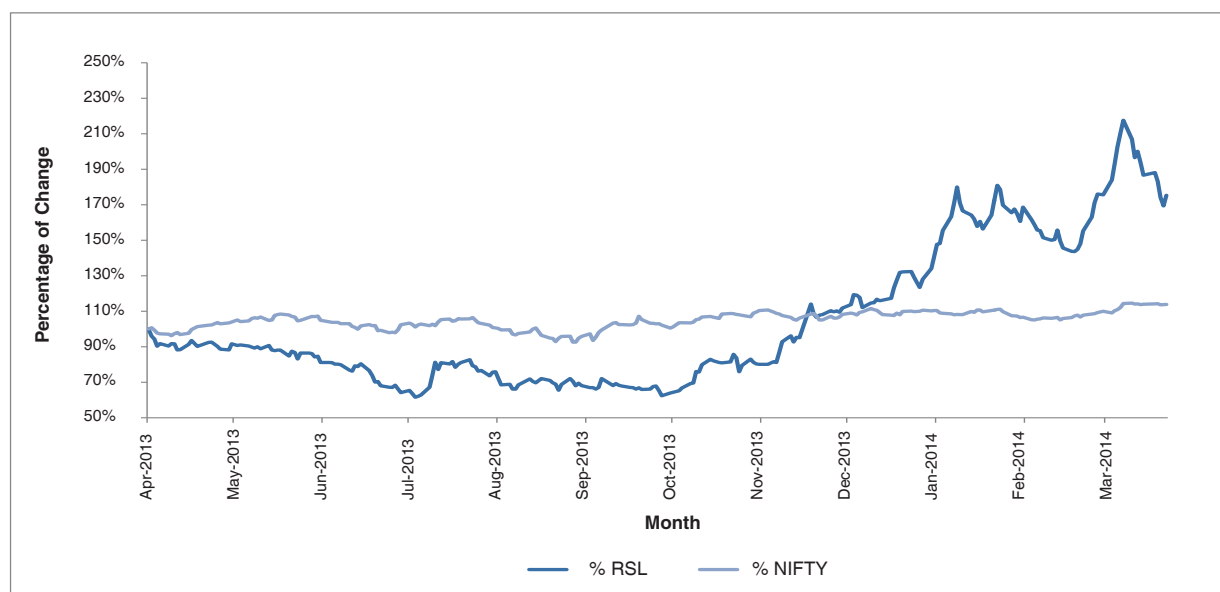
The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is L72300TN1997PLC037550 and our Company registration number is 18-37550.

With the MCA 21 initiative of the Ministry of Corporate Affairs going live, the Company's Master Data information and details of the Compliance filings made by the Company with the Ministry of Corporate Affairs, Government of India, may be viewed by the Members and other Stakeholders at www.mca.gov.in (MCA21 eServices) using the above mentioned CIN.

7. Details of the Share price movements in the National Stock Exchange and Bombay Stock Exchange

Sl. No.	Month	NSE			BSE		
		Volume	High	Low	Volume	High	Low
1	Apr-13	15,557	113.30	100.00	15,103	113.85	100.00
2	May-13	20,193	103.25	92.00	14,030	105.00	91.35
3	Jun-13	43,528	92.00	72.75	37,765	91.00	72.85
4	Jul-13	66,719	93.75	69.85	49,720	93.55	70.85
5	Aug-13	19,070	81.80	74.30	14,534	82.00	73.00
6	Sep-13	39,699	81.75	70.80	12,726	81.35	71.10
7	Oct-13	86,381	97.20	73.00	30,216	96.40	74.00
8	Nov-13	187,675	129.30	90.80	77,034	129.60	90.05
9	Dec-13	166,904	159.60	127.00	111,120	159.75	126.55
10	Jan-14	148,766	205.05	167.40	192,230	206.85	167.50
11	Feb-14	63,472	199.50	162.85	73,964	200.00	163.20
12	Mar-14	245,386	246.65	191.90	264,418	245.05	191.95
Total		1,103,350			892,860		

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



Ramco Systems Limited, INDIA

8. Registrar and Share Transfer Agent

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

M/s. Cameo Corporate Services Limited
Unit: Ramco Systems Limited
Subramanian Building, No.1, Club House Road, Mount Road, Chennai – 600 002,
Tel: 044 - 2846 0390 Fax: 044 - 2846 0129

9. Share Transfer System

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

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

To ensure swift processing of the Share Transfers, Transmissions, Transposition etc. the Board of Directors have delegated necessary powers to the Shareholder Committee. Following is the status of dematerialisation, transfer and transmission during the year:

Particulars	Number of Requests	Shares
Dematerialization requests	-	-
Transfer requests	-	-
Transmission request	1	9

There is no specific Request/Grievance outstanding on the subject till date.

10. Permanent Account Number

The Securities Exchange Board of India (SEBI) vide its earlier Circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective the amount of the transaction. Further to this, SEBI had vide its Circular No.MRD\Dop\Cir-05\2009 dated 20th May 2009, directed that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/RTA, as the case may be for registration of transfer of shares. In continuation to this Circular, SEBI had Vide its Circular No. SEBI/MRD/Dop/SE/RTA/Cir-03/2010 dated 7th January 2010, had clarified that it shall be mandatory to furnish a copy of PAN in the following cases –

1. Deletion of name of the deceased Shareholder(s), where the shares are held in the name of two or more Shareholders.
2. Transmission of shares to the legal heir(s), where deceased Shareholder was the sole holder of shares.
3. Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more Shareholders.

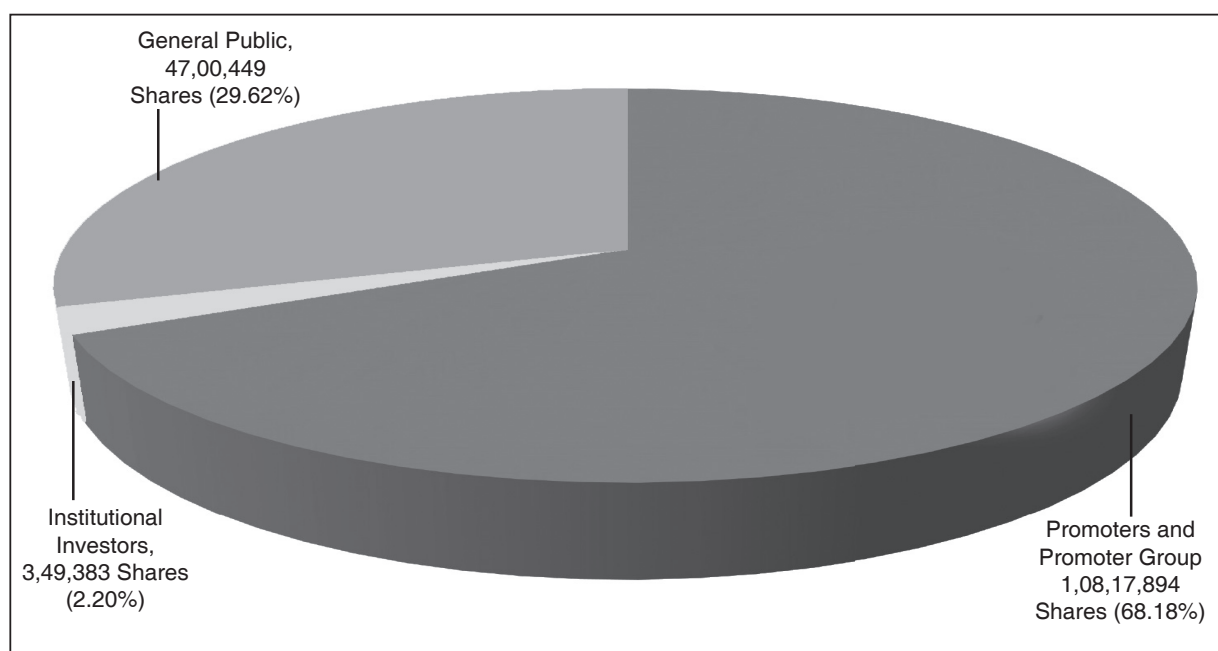
In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence in support of the identity of the transferees like Passport, Voter Card ID, Driving License, Photo Identity cards issued by Statutory Bodies, Banks, Public Sector Undertakings etc.

11. Shareholding Pattern and the Distribution of Shareholding as at 31st March 2014:

Category of Shareholder	Number of Shareholders	Total Shares held	Shares in demat form	Percentage of holding
(A) Promoters and Promoter Group				
Individuals / Hindu Undivided Family	9	33,20,607	33,20,607	20.93
Bodies Corporate	7	74,97,287	74,97,287	47.25
Trusts	-	-	-	-
Promoter shareholding (A)	16	1,08,17,894	1,08,17,894	68.18
(B) Non-Promoters				
Institutional Investors				
Mutual Funds / UTI	2	300	0	0.00
Financial Institutions / Banks	4	24,950	24,800	0.16
Insurance Companies	1	3,14,133	3,14,133	1.98
Foreign Institutional Investors	2	10,000	10,000	0.06
Sub Total	9	3,49,383	3,48,933	2.20
General Public				
Bodies Corporate	250	9,32,321	9,31,762	5.88
Indian Public	6,352	34,33,725	30,74,278	21.64
Others including NRIs, Trusts, Clearing Members etc	314	3,34,403	3,30,303	2.10
Sub Total	6,916	47,00,449	43,36,343	29.62
Non-Promoters shareholding (B)	6,925	50,49,832	46,85,276	31.82
Total Shareholding (A)+(B)	6,941	1,58,67,726	1,55,03,170	100.00

Note: The Allotment Committee of the Board of Directors at its meeting held on 27th March 2014 have allotted 48,859 shares. However the said shares were not admitted with the depositories as on 31st March 2014 and hence the change due to the said allotment is not reflected in the current Shareholding Pattern.

Graphical Representation of Shareholding Pattern as on 31st March 2014



Ramco Systems Limited, INDIA

The Distribution of Shareholding of the Company as at 31st March 2014 is as follows:

Sl. No	Holding range	Number of shareholders	% Of total	Shares	% Of total
1	Between 1 and 100	4,286	61.74	1,93,338	1.22
2	Between 101 and 500	1,787	25.75	4,54,347	2.86
3	Between 501 and 1,000	360	5.19	2,78,932	1.76
4	Between 1,001 and 2,000	237	3.41	3,56,616	2.25
5	Between 2,001 and 3,000	84	1.21	2,12,987	1.34
6	Between 3,001 and 4,000	42	0.61	1,48,975	0.94
7	Between 4,001 and 5,000	28	0.41	1,30,076	0.82
8	Between 5,001 and 10,000	53	0.76	3,94,082	2.48
9	More than 10,000	64	0.92	1,36,98,373	86.33
	Total	6,941	100.00	1,58,67,726	100.00

12. Dematerialization of Shares and Liquidity

The Company has entered into Agreements with both NSDL and CDSL to facilitate the shareholders to dematerialize their equity shares with any one of the Depositories. The custodial charges for the year 2013-14 have been paid to NSDL and CDSL as per the Listing Agreement. As at 31st March 2014 1,55,03,170 equity shares representing 97.70% of the Company's total numbers of shares have been dematerialized.

In view of the SEBI's direction the settlement of trades in the listed securities should take place only in the demat mode and the benefits embedded in holding of the securities in demat form, the Shareholders holding the shares in physical forms are requested to demat their shares at the earliest.

13. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity : The Company has no outstanding ADR/GDR/Warrants or any convertible instruments as on 31st March 2014.

14. Plant Location and R&D Center : No.64, Sardar Patel Road, Taramani, Chennai - 600 113.

15. Address for Correspondence & Shareholders queries : The Company Secretary
No:64, Sardar Patel Road, Taramani, Chennai - 600 113.
Phone: 044 - 2235 5558 Fax : 044 - 2235 5078

(or)

M/s. Cameo Corporate Services Limited
(Unit: Ramco Systems Limited)
Subramanian Building, No.1, Club House Road,
Chennai - 600 002,
Phone: 044 - 2846 0390 Fax: 044 - 2846 0129.

16. Other Information to Shareholders

(a) Reconciliation of Share Capital Audit

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

(b) Compliance Certificate

Compliance Certificate dated 22nd May 2014 from our Statutory Auditors, M/s. CNGSN & Associates is given at the end of this Corporate Governance Report.

ANNEXURE D

**Declaration from the Vice Chairman & Managing Director and CEO
(Under clause 49(D)(ii) of the Listing Agreement)**

To
The Members of Ramco Systems Limited

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed Compliance with the Company's Code of Conduct for the year ended 31st March 2014.

For RAMCO SYSTEMS LIMITED

Place: Chennai
Date : 22nd May 2014

VIRENDER AGGARWAL
CHIEF EXECUTIVE OFFICER

P R VENKETRAMA RAJA
VICE CHAIRMAN & MANAGING DIRECTOR

Ramco Systems Limited, INDIA

ANNEXURE E

Auditor's Certificate on Corporate Governance (Under Clause 49 of the Listing Agreement)

To
The Members of Ramco Systems Limited

We have examined the Compliance of conditions of Corporate Governance by Ramco Systems Limited, for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no Investor Grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For CNGSN & Associates
Chartered Accountants
Registration No.004915S

Place: Chennai
Date : 22nd May 2014

C.N.GANGADARAN
Partner
Membership No.11205

ANNEXURE F

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The global software industry is now in the midst of a revolutionary change. The explosion in the number of mobile devices, the ubiquity of broadband connectivity and the consumerization of IT are shifting the way end users consume IT. All of this has led to cloud based enterprise application becoming a phenomenon and the most sought after segment in the IT world.

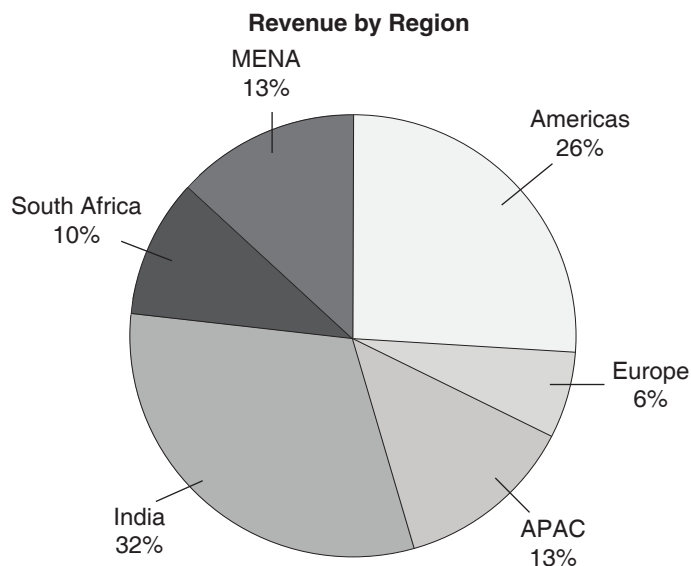
The year 2013-14 has been a good start with Ramco winning customers across both domestic and international markets in the cloud space. With three major focus areas - Ramco ERP on Cloud, Ramco Aviation on Cloud and Ramco HCM on Cloud, we are now being identified among the key players in the Cloud space. Buoyed by the success of Ramco ERP on Cloud and Ramco Aviation on Cloud, the year 2013-14 witnessed the global launch of our Ramco HCM on Cloud offerings. Customer feedback and wins in this area have been highly encouraging.

Large multinational organizations came on board including fortune 10 conglomerate, leading sportswear giant, global footwear brand among others and most of the regions saw highest ever order bookings. This year, we also had the single largest Purchase order and largest Aviation order till date. We also saw large Indian conglomerates adopting to the cloud with us either with our HCM or ERP on cloud offering despite existing investments in traditional on premise ERP. MNCs such as Schneider and Airbus formed strategic go-to-market partnerships with us that will act as a force multiplier to increase our reach in the market. We are continuing to strengthen our partnership network to further multiply this momentum in the year ahead.

Our globalization strategy has started to pay off. From being seen predominantly as a domestic-led organization, we today clock around 69% of our overall revenues from markets, outside India as compared to 47% last FY. This trend will continue to grow as we are witnessing increased momentum for our Cloud based offerings, globally. This FY new order bookings more than doubled as compared to our bookings in the last year. The cloud business also showed an impressive growth and is now more than 35% of our total new bookings this FY.

The increase in the momentum in the order booking however will not reflect in the revenue immediately owing to the nature of cloud business where the revenues are spread out and are realized over a period of time ensuring a steady revenue stream for future. Additionally, the rupee devaluation also affected our revenue numbers for this FY. However, our recurring revenue stands at 27% for the financial year.

The overall revenue of USD 43.85 million for FY 2013-14 from various regions is depicted as below:



We today have a healthy revenue split between regions thereby reducing the risk attached to excessive dependence on any one market. India continues to be the largest contributor closely followed by Americas, Asean, Middle East and North Africa, S. Africa and Europe. On the domestic front, we continued to grow our leadership position on Cloud and added marquee customers for all three product suites—ERP, HCM and Aviation. We also focused on strengthening our sales network and partnership to further support the growth momentum, going forward.

Americas continued to show progress as we sealed a few strategic logos for ERP. With the launch of our latest aviation suite, Ramco Aviation on Cloud V5.7, with WorkSpaces and Mobility, existing clients have shown renewed interest to upgrade to the latest platform.

Ramco Systems Limited, INDIA

Asean moved one notch up to the third place, ahead of Middle East. Thanks to the multi-million order signed with Malaysia Airlines for Aviation MRO. In addition to Aviation, the region has had very good traction for HCM and outsourced Payroll services. With new partners and clients being added, the region has been witnessing good traction.

Middle East & Africa continues to witness a significant growth for both ERP and HCM. This year, we acquired some very prestigious clients in the region for Aviation, HCM and ERP on Cloud. After India, Ramco HCM has found its sweet spot in the Middle East where it counts some of the leading retail chains and Banks as customers. Some of the recent wins in the region, include: Sharaf DG, Engsol, DaarYaas Group, Al Shabab Club, Blue Nile Mashreq Bank and Nesma.

In addition to the major markets, recent markets which we entered (directly or through partners) have started to show results. This includes, Australia, Italy, Kenya, Greece, Norway, France, Denmark and Iceland to name a few.

Challenges

We have continued to prudently invest towards building brand visibility in key markets. In the last year, we have seen a perceptible difference in the domestic market—reflected in the kind of brands approaching us, the positive feedback from market, mentions we receive from global analysts, media coverage among others. Having said that, international markets continue to be a challenge. With limited budgets, we have been focusing on Digital and Events to build the brand. In order to compete in a crowded marketplace, the need is to increase brand visibility, across markets.

The other area where we continue to face challenge is our channel partner network. The channel market is taking time to mature and is yet to grow into a self-running network. With a small window of opportunity ahead, we are under constant pressure to get this extended network to start delivering results.

Opportunities

The market for Cloud based enterprise applications continues to grow. While small and mid-sized organizations were the first to embrace Cloud, there is a natural progression with even large enterprises choosing Cloud based delivery for select pockets of their enterprise needs. This has led to the increased demand for Two-tier ERP strategy to connect their extended enterprise like subcontractors, dealers, subsidiaries etc. We saw good success in this segment last year and have a healthy pipeline for such cases for next year. While opportunities for standard solutions will continue, we expect niche and peripheral solutions to start growing in momentum in the year ahead.

The other big opportunity will be in the area of Service-centric ERP. With people-centric organizations looking for a solution that address their unique business model, the demand for Service-centric ERP will see a surge. This trend is already visible with multiple Staffing and Consulting companies getting on board Ramco Services Resource Planning (SRP).

On the HCM front, we find most organizations are looking at replacing their existing solutions as they have outgrown the system. An increasing number of MNCs are looking at niche HR and Payroll systems to address their regional needs and are open to looking at implementing HCM as a standalone offering. With the advent of millennial workforce, the demand for new age HR software with Mobility, Social integration and User friendly screens has seen an upsurge. It is this window of opportunity we want to capture, globally. Our sweet spot has been Retail, Services and Manufacturing verticals.

On the Aviation-front, the market opportunity lies at the 'bottom of the pyramid'. Small and medium sized airline operators who were earlier not able to adopt enterprise-class aviation software because of the complexity and cost involved have started exploring a Cloud based offering. This has opened up a new market opportunity for us.

Partnerships and Alliances

The brand visibility drive and product strength is driving global multinationals to partner with Ramco. Large System Integrators are looking for partnering with us to add Cloud based offerings to their bouquet of offerings. Today, we have 100+ partners across the globe, working as implementation or sales partner or both. Our broad categorization of partner program includes Business Partners, System Integration and Consulting partners, who assist us in business development by packaging our solutions, along with their products or services. In FY 2013-14, we signed partnerships with Airbus Helicopters, Aero Intelligence, Microsoft, WNS and Cazar among others.

People initiatives

Innovation is the Centre stage of our growth and hence the need to invest in hiring the right talent and retaining the best minds to compete and grow rapidly. In order to achieve this objective, our hiring methodologies have gone through a sea-change. We today hire only from Tier I/II institutions, and focus on high caliber graduates with the right academic and work background. We also attracted some very good lateral hires from other ERP players.

The existing employees were appraised based on their contribution to the overall growth of the company. In order to improve the working environment and give a Gen-Y atmosphere to employees, the company embarked on a massive exercise to restructure the workplace. Some of the initiatives such as cabin-less office, comfortable casual seating arrangements and decor has helped in employee motivation, collaboration and practice team initiatives, better.

With the rebuilding exercise here at Ramco, we today have young and enthusiastic minds flowing in, with enough support from the experienced and wise.

2013-14 Milestones

17 April, 2013: Driven by the underlying theme of “**Customer Centricity**”, Ramco Systems, organized a three day **Global Aviation Meet, RUM ‘13 (Ramco User Meet)**, to meet users and understand how they have benefited from our solution. RUM ‘13 was a great platform for both users and Ramco to network and have a healthy exchange of ideas and draw up the product roadmap for the year ahead.

29 April, 2013: Announced the **adoption of Microsoft’s SQL Server 2012**. This solution will offer huge cost benefits and time savings as it is extremely simple to install and businesses can transition from their legacy systems to full-blown ERP solutions in a few weeks.

29 April, 2013: **REDTAG Group, part of BMA International**, which operates hypermarkets, supermarkets, convenience stores and malls, selects **Ramco HCM on Cloud**. Under the agreement, Ramco would provide its full-suite HCM including Workforce Management, Attendance Management, Payroll and Benefits, Staffing, Employee Development, Planning and Self Services.

2 May, 2013: **Ramco Aviation Suite went live at GoAir** in a record time of 200 days. As a part of the agreement, Ramco’s Aviation Maintenance & Engineering (M&E) suite of software will manage 15 fleets across 21 base stations and seamlessly integrate with GoAir’s ARMS Systems and SAP Financials.

4 June, 2013: Agreement announced with **Podar Group of Schools**, an 86-year old leading Education Network, to connect their network of 56_schools across India with Ramco ERP on Cloud, integrated with HR & Talent Management.

19 June, 2013: Ramco announced a global partnership with **Airbus Helicopters (earlier Eurocopter)**. The partnership agreement signed at the 2013 Paris Air Show, enables Eurocopter and Ramco Systems to offer additional mobility and functionality for the collection and treatment of MRO-related data, thereby providing highly effective and cost-efficient fleet management services that are affordable and user friendly for all operators – including those with smaller numbers of helicopters.

26 June, 2013: Global **launch of Ramco HCM on Cloud**, a comprehensive HR & Talent Management solution. The solution covers every aspect of an employee lifecycle: Workforce Management, Recruitment, Talent Management, Employee Development, Workforce Planning and Payroll & Benefits. Also unveiled Ramco’s **In-memory engine, Minnal** that dramatically improves processing speed by up to 100 times.

24 July, 2013: In order to **strengthen the Management team**, we got onboard six senior executives to spearhead the company’s global growth plans. This includes, Mr. K. M. Ramesh Babu as Chief Delivery Officer, Mr. Manoj Kumar Singh, Sr. Vice President for Aviation & MRO Solutions; Mr. Subbaraman Ramaswamy (Ramas), Vice President responsible for the Asia Business; Mr. Sandesh Bilagi, who will be driving sales for Australia and New Zealand as Vice President; Mr. Mahesh Venkatraman, Vice President, Implementation and Mr. Raghvendra Tripathi (Raghu), as Chief Performance Officer.

10 September, 2013: Agreement announced with Astra Airlines Group, one of the emerging passenger airlines operating from Greece, for Ramco Aviation on Cloud. The win marked Ramco’s strength to address small airlines with a Cloud based offering. Within 8 weeks of signing the deal, Ramco announced that Astra was live on the solution because of Lean model of implementation adopted that cut down the overall cost and time required in implementation.

7 October, 2013: Announced the partnership with Aero-Intelligence, a leading consultancy headquartered in the United States.

6 November, 2013: Close on the heels of the global launch of Ramco HCM on Cloud, Ramco announced highest ever booking in 5 weeks, in **MEA—6 New Wins and 5 Go-lives**. With Middle East being the third largest market for Ramco after India and America, the Customer acquisition rate in the region doubles in 2012-13.

10 November, 2013: Announced strategic partnership with **Cazar**, a leading recruitment technology provider. The partnership aims at providing a fully integrated HR and recruitment cloud-based solution to enterprises, and will address business opportunities in Middle East and APAC regions where Cazar has its operations.

11 December, 2013: Announced strategic partnership with **WNS Limited**, a leading provider of global Business Process Management (BPM) services, to expand our Human Resources Outsourcing footprint. With this partnership Ramco ventured into Platform as a Service.

Ramco Systems Limited, INDIA

7 January, 2014: Chooses **Microsoft Office 365** for unified communication and collaboration with partners and customers.

16 January, 2014: Europe gets the focus with 5 new wins in Q3 of FY 2013-14 for Cloud ERP and Aviation MRO Offerings

17 February, 2014: Ramco HCM on Cloud launches GPS (Global Positioning System) and NFC (Near Field Communication) based time and attendance system to authenticate, trace, and interact with employees at various levels.

20 February, 2014: **Modern Logistics**, one of Brazil's first "end-to-end" logistics supply chain company, becomes the first Aviation on Cloud customer in Brazil. The win also marks Ramco's entry into the Air Cargo segment.

25 February, 2014: Ramco Aviation Suite **V5.6 goes live at Columbia Helicopters Inc. (CHI)**, the world leader in commercial heavy-lift helicopter operations. CHI also becomes one of the first customers of Ramco Aviation globally to go-live with Offline Field Maintenance System (OFMS).

26 February, 2014: Signed a Memorandum of Understanding (MoU) with **Turbomeca** to develop compatibility solutions between Turbomeca's BOOST and Ramco's M & E / MRO solution. The partnership aims at developing interface to integrate both the solutions to help customers, Engine Service Centres and Heli-operators benefit from seamless data transfer.

27 February, 2014: Ramco Aviation launched 3 new power-packed offerings for the heli operator segment—**Mobility Solution for Heli Mechanics, Electronic Flight Bag (EFB) and Flight Contract and Invoicing.**

3 March, 2014: Signed a strategic partnership with **Malaysia Airlines** for a suite of critical enterprise-wide engineering solutions that includes aircraft maintenance, maintenance service sales, operational, human resources and financial functions.

AUDITOR'S REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

We have audited the accompanying financial statements of Ramco Systems Limited ('the Company') which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by Section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - (e) on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For CNGSN & Associates
Chartered Accountants
Registration No.004915S

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

Ramco Systems Limited, INDIA

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2014;

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Most of the assets have been physically verified by the management during the year. The Company has a phased programme of verification which in our opinion is reasonable having regard to the size of the Company. No material discrepancies have been noticed on such verification.
(c) During the year, the Company has not disposed off substantial part of fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed at the time of physical verification.
- (iii) (a) The Company has taken loans of Rs. 2,052.50 Mln. during the year from a party listed in the Register maintained under Section 301 of the Companies Act, 1956. The year end balance is Nil and the maximum outstanding during the year is Rs. 510.00 Mln. No loans have been granted to any such parties by the Company.
(b) In our opinion rates of interest and other terms and conditions are not prejudicial to the interest of the Company.
(c) The repayment of the principal amounts and interest wherever applicable are regular.
(d) The loans taken by the Company are repayable on demand and therefore the question of overdue amounts does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) The Company has transactions with Section 301 companies. The transactions have been entered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Company does not come under Section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty and Cess and other material statutory dues as applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty and Cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are disputed statutory dues aggregating to Rs. 23.50 Mln. that have not been deposited on account of matters pending before appropriate authority, are as under:

Name of the statute	Nature of dues	Forum where dispute is pending	(Rs. Mln.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	20.05
Wealth Tax Act, 1957	Wealth Tax	Commissioner of Wealth Tax (Appeals)	2.50
Central Sales Tax Act, 1956	Central Sales Tax	Appellate Deputy Commissioner (CT)	0.95

- (x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. The Company has not incurred cash losses during the financial year or in the immediately preceding financial year covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- (xx) There has been no public issue during the year and hence the question of end use of money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For CNGSN & Associates
Chartered Accountants
Registration No.004915S

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

Ramco Systems Limited, INDIA

BALANCE SHEET AS AT MARCH 31, 2014

	Note Number	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	159.52	157.73
Reserves and Surplus	3	1,160.15	1,341.32
		<u>1,319.67</u>	<u>1,499.05</u>
Non-current Liabilities			
Long Term Borrowings	4	1,828.41	11.98
Other Long Term Liabilities	5	-	38.40
Long Term Provisions	6	54.95	98.70
		<u>1,883.36</u>	<u>149.08</u>
Current Liabilities			
Short Term Borrowings	7	1,825.00	2,852.50
Trade Payables	8	226.76	233.49
Other Current Liabilities	9	240.06	211.74
Short Term Provisions	10	3.54	2.52
		<u>2,295.36</u>	<u>3,300.25</u>
TOTAL		<u>5,498.39</u>	<u>4,948.38</u>
ASSETS			
Non-current Assets			
Fixed Assets	11		
- Tangible Assets		147.05	161.60
- Intangible Assets		2,375.12	2,075.91
Non-current Investments	12	1,239.31	1,239.31
Long Term Loans and Advances	13	195.23	128.75
Other Non-current Assets	14	16.80	-
		<u>3,973.51</u>	<u>3,605.57</u>
Current Assets			
Inventories	15	0.14	0.14
Trade Receivables	16	965.82	800.78
Cash and Bank Balances	17	36.13	51.94
Short Term Loans and Advances	18	148.09	106.40
Other Current Assets	19	374.70	383.55
		<u>1,524.88</u>	<u>1,342.81</u>
TOTAL		<u>5,498.39</u>	<u>4,948.38</u>

Notes on Financial Statements

1 to 35

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
Chairman

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

G VENKATRAM
Company Secretary

S S RAMACHANDRA RAJA
N K SHRIKANTAN RAJA
M M VENKATACHALAM
A V DHARMAKRISHNAN
R S AGARWAL

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note Number	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs. Mln.)
INCOME			
Revenue from Operations	20	1,608.08	1,690.93
Other Income	21	66.71	60.82
Total Revenue		1,674.79	1,751.75
EXPENDITURE			
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	22	-	16.79
Purchase of Stock-in-trade	22	20.25	59.92
Employee Benefit Expense	23	742.77	888.33
Finance Costs	24	114.46	60.52
Depreciation and Amortisation Expense	11	371.18	324.00
Other Expenses	25	618.88	590.28
Total Expenses		1,867.54	1,939.84
Profit / (Loss) Before Tax		(192.75)	(188.09)
Tax Expenses			
- Current Tax	10	-	-
Profit / (Loss) For The Year		(192.75)	(188.09)
Earnings per equity share (EPS) of face value of Rs.10 each:			
Basic & Diluted EPS (Rs.)		(12.22)	(12.01)
Weighted average number of Equity Shares outstanding - Basic		15,767,250	15,665,293
Weighted average number of Equity Shares outstanding - Diluted		16,034,684	16,094,293

Notes on Financial Statements

1 to 35

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
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Vice Chairman and Managing Director

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Company Secretary

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N K SHRIKANTAN RAJA
M M VENKATACHALAM
A V DHARMAKRISHNAN
R S AGARWAL

Directors

Ramco Systems Limited, INDIA

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs. Mln.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(192.75)	(188.09)
Adjusted for:		
Depreciation and Amortisation Expense	371.18	324.00
Bad debts written off	102.23	29.44
Finance Costs	114.47	60.53
(Profit)/Loss on Sale of Assets (Net)	11.36	4.66
Interest Income	(2.33)	(1.97)
Unrealised Exchange (Gain)/Loss	(35.00)	(12.21)
Employee cost under ESOS/ESPS	0.43	15.91
Operating Profit/(Loss) Before Working Capital Changes	369.59	232.27
Working Capital Changes:		
Trade receivables, Loans & advances and Other current / Non-current assets	(376.18)	(289.74)
Earmarked Balances with Banks, Margin money deposit	(0.05)	0.62
Inventories	-	16.79
Trade Payables, Provisions and Liabilities	(61.35)	(0.63)
Cash Generated from Operations	(67.99)	(40.69)
Taxes Paid	-	-
Net Cash (Used in)/Generated from Operating Activities	(67.99)	(40.69)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(399.15)	(526.07)
Investment in Equity of Subsidiaries	-	(16.74)
Loans to Subsidiaries-Net	(7.21)	(10.68)
Proceeds from Sale of Fixed Assets	2.44	2.53
Term deposit with Banks - others	(0.18)	(1.16)
Proceeds from Long Term Borrowings for assets under Hire purchase / Finance lease	4.38	13.49
Repayment of Long Term Borrowings for assets under Hire purchase / Finance lease	(7.22)	(6.47)
Interest Income	2.33	1.97
Net Cash (Used in)/Generated from Investing Activities	(404.61)	(543.13)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital on account of exercise of Employee Stock Options	8.90	7.92
Proceeds from Long Term Borrowings	1,820.00	-
Proceeds from Short Term Borrowings	3,597.49	6,005.00
Repayment of Short Term Borrowings	(4,625.00)	(5,137.50)
Finance Costs paid	(383.90)	(286.71)
Net Cash (Used in)/Generated from Financing Activities	417.49	588.71
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(55.11)	4.89
Cash and Cash Equivalents at the beginning of the year	48.96	31.86
Effect of Unrealised Foreign Exchange Fluctuation Gain/(Loss)	35.00	12.21
Cash and Cash Equivalents at the end of the year	28.85	48.96
Earmarked Balances with Banks		
- Term Deposits held as margin money against bank guarantees	0.62	0.58
- Balance in ESOS / Rights issue accounts	4.24	0.16
Term Deposits - Others	2.42	2.24
Closing Cash and Bank Balances	36.13	51.94

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
Chairman

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

G VENKATRAM
Company Secretary

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

M M VENKATACHALAM

A V DHARMAKRISHNAN

R S AGARWAL

Directors

NOTES ON FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

I Basis of Preparation and presentation of financial statements

A Basis of Preparation:

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

B Use of Estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

II Revenue Recognition

A Software and related services

i) License Fees

License Fee revenue is recognized on delivery of the software.

ii) Software development / Implementation Fees

Software development / Implementation Contracts are either fixed price based or time and material based. In case of fixed price contracts, revenue is recognized in accordance with percentage of completion method of accounting. In case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

iii) Annual Maintenance Contract

Revenue from Maintenance services is recognized on a pro-rata basis over the period of the contract.

B Value Added Resale Hardware & Software

Revenue from sales is recognized upon despatch of goods to customers.

C Other Income

Interest on bank deposits and rental income are recognized on accrual basis.

III Fixed Assets and Depreciation

A Tangible Assets

Tangible Fixed Assets are capitalized at historical cost and includes freight, installation cost, finance cost, net of taxes and duties wherever applicable and other incidental expenses incurred during the installation stage.

Depreciation is charged on a pro-rata basis on the Straight Line Method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.

Individual assets not exceeding Rs.5,000/- are depreciated in full in the year of purchase.

Assets acquired on Hire Purchase are capitalized at the gross value and interest thereon charged to Statement of Profit & Loss.

In respect of Assets leased prior to 1st April 2001, the lease rentals paid during the year are charged to Statement of Profit & Loss. In respect of assets leased on or after 1st April 2001, the accounting treatment prescribed by Accounting Standard 19 on "Leases" is followed.

B Intangible Assets

a) Costs incurred in the development of ERP product, together with repository of new business components, upon completion of the development phase, have been classified and grouped as "Product Software" under Fixed Assets.

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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 Fixed Assets, once the same is available for use.

- b) 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 ten years and depreciation is charged accordingly.

- c) Computer Software purchased for own use are grouped under Intangible Assets. Depreciation is charged on a pro-rata basis on the Straight Line Method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.

IV Investments

Long term investments are stated at cost and short term investments are valued at lower of cost and net realizable value.

V Inventories

Inventories are valued at lower of cost and net realizable value. Cost includes cost incurred in bringing the inventories to their present location and condition and is determined based on FIFO method.

VI 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 or wherever forward contracts are booked, at the respective rates as per such forward contracts and the loss or gain arising out of such transactions is adjusted in the Statement of Profit and Loss. Exchange difference in respect of foreign currency liabilities incurred for acquiring fixed assets on or before accounting period commencing after 7th December 2006 is added to the cost of respective fixed assets.

VII Translation of Financial Statements of Foreign Branch

All income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date. Non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction and the balance in ‘head office account’ whether debit or credit, is reported at the amount of the balance in the ‘branch account’ in the books of the head office, after adjusting for un responded transactions. Net gain / loss on foreign currency translation is recognized in the Statement of Profit and Loss.

VIII Employee Benefits

Short-term employee benefits, salaries, wages and other benefits are recognized as expenses at the actual value as per contractual terms and such amounts are charged as expenses in the Statement of Profit and Loss for the year in which the related service is rendered. Other benefits are treated as below:

Gratuity

In accordance with the Indian law, the company provides for gratuity, a defined benefit plan (“The Gratuity Plan”), covering all employees. These employees are covered under the Group Gratuity Scheme of the Life Insurance Corporation of India. The contribution to the said scheme are charged to the Statement of Profit and Loss. The liability for Gratuity is ascertained as at the Balance Sheet date based on independent actuarial valuation in accordance with Accounting Standard 15(revised) and the charge for current year arrived at. Accordingly, the difference between such charge and contribution is provided in the accounts by a debit to the Statement of Profit and Loss.

Superannuation

The Senior officers of the Company have been given an option to participate in a defined contribution plan (“The Superannuation Plan”) maintained by the Life Insurance Corporation of India. For those who opt to participate, the company makes contributions not exceeding Rupees one lakh per annum, based on a specified percentage of the 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 contributions / 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 a 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.

Leave Encashment

Leave encashment liability is ascertained as at the Balance Sheet date based on independent actuarial valuation in accordance with Accounting Standard 15(revised) and is provided for in the books of accounts.

IX Earnings per share

Profit after tax is adjusted for prior period adjustments, if any and divided by the weighted average number of equity shares outstanding during the period.

X Taxes on income

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period. Deferred tax asset or deferred tax liability is considered for timing differences in accordance with Accounting Standard 22. Deferred tax asset arising on account of carry forward of losses is not considered.

Minimum Alternative Tax (MAT) credit asset is recognized only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

XI Borrowing costs

Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalized as part of cost of those assets as per Accounting Standard 16. All other borrowing costs are charged to Statement of Profit and Loss

XII Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2 Share Capital	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
Authorised		
50,000,000 (Previous year 50,000,000) Equity Shares of Rs.10 each	<u>500.00</u>	<u>500.00</u>
Issued		
16,265,763 (Previous year 16,086,293) Equity Shares of Rs.10 each	<u>162.66</u>	<u>160.86</u>
Subscribed		
16,265,763 (Previous year 16,086,293) Equity Shares of Rs.10 each	<u>162.66</u>	<u>160.86</u>
Paid-up		
15,916,585 (Previous year 15,737,115) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	<u>159.52</u>	<u>157.73</u>
	<u>159.52</u>	<u>157.73</u>

The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share.

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2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
Shares outstanding at the beginning of the year 15,737,115 (Previous year 15,516,743)	157.73	155.52
Shares issued during the year under ESOS - 179,470 (Previous year 220,372)	1.79	2.21
Shares outstanding at the end of the year 15,916,585 (Previous year 15,737,115)	<u>159.52</u>	<u>157.73</u>

2.2 Number of non resident shareholders	79	74
Number of shares held by the non resident shareholders	135,456	37,016
Dividend remitted in foreign currency	Nil	Nil

2.3 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held:

Name	As at 31.03.2014		As at 31.03.2013	
	Shares held	% of holding	Shares held	% of holding
Shri P R Venketrama Raja	2,144,961	13.52	1,779,961	11.31
Ramco Industries Limited	4,822,215	30.39	4,822,215	30.64
The Ramco Cements Limited	2,117,810	13.35	2,117,810	13.46

2.4 Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts:

The Company has formulated various employee Stock Option Schemes. The summary is provided below:

Name of Stock Option Schemes	As at 31.03.2014			As at 31.03.2013		
	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. Mln.)	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. Mln.)
ESOP 2000	1,300	177	0.23	1,300	177	0.23
ESOS 2003	500	266	0.13	500	266	0.13
ESOS 2003	1,900	177	0.34	2,700	177	0.48
ESOS 2008	290,788	53	15.41	460,082	53	24.38
ESOS 2008	50,000	143	7.15	50,000	143	7.15
ESOS 2008	25,000	138	3.45	25,000	138	3.45
ESOS 2008	50,000	125	6.25	50,000	125	6.25
ESOS 2008	95,000	87	8.27	-	-	-
ESOS 2008	65,000	241	15.67	-	-	-
ESOS 2008	20,000	204	4.08	-	-	-
ESOS 2009 - Plan A	193,431	94	18.18	259,031	94	24.35
ESOS 2009 - Plan A	20,000	98	1.96	20,000	98	1.96
ESOS 2009 - Plan A	20,000	61	1.22	20,000	61	1.22
ESOS 2009 - Plan A	60,000	115	6.90	60,000	115	6.90
ESOS 2009 - Plan A	20,000	10	0.20	20,000	10	0.20
ESOS 2009 - Plan A	5,000	10	0.05	-	-	-
ESOS 2009 - Plan B	298,210	94	28.03	389,483	94	36.61
ESOS 2009 - Plan B	25,000	10	0.25	25,000	10	0.25
ESOS 2009 - Plan B	60,000	115	6.90	60,000	115	6.90
Total	1,301,129		124.67	1,443,096		120.46

Further details of the above Schemes can be obtained from ANNEXURE B to the Director's Report

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
3 Reserves and Surplus		
Securities Premium Account (includes value of forfeited shares of Rs.111,910 (previous year Rs.111,910) for 349,178 shares)	1,977.77	1,966.61
Share Options Outstanding	5.12	4.70
Balance in Profit and Loss Account	<u>(822.74)</u>	<u>(629.99)</u>
	<u>1,160.15</u>	<u>1,341.32</u>
3.1 Securities Premium Account		
Opening Balance	1,966.61	1,949.57
Shares issued during the year under ESOS-179,470 (previous year 120,372)	11.16	5.83
Add: Transferred from stock options outstanding *	-	11.21
Closing Balance	<u>1,977.77</u>	<u>1,966.61</u>
* Previous year represents premium accounted (without receipt in cash) towards the difference between the market price of Rs.122.05 prevailing on the relevant date and the issue price of Rs.10 on 100,000 shares allotted on 28 th May 2012 under ESPS, as per SEBI guidelines.		
3.2 Stock options outstanding		
Gross employee stock compensation for options granted in earlier years	4.70	-
Add: Gross compensation options/shares granted during the year	0.42	15.91
Less: Transferred to Securities Premium on exercise of stock options/shares	-	(11.21)
Closing balance	<u>5.12</u>	<u>4.70</u>
3.3 Balance in Profit and Loss Account		
Opening balance	(629.99)	(441.90)
Current year Profit / (Loss)	(192.75)	(188.09)
Closing balance	<u>(822.74)</u>	<u>(629.99)</u>
4 Long Term Borrowings		
Hire Purchase Loans, secured *	8.41	11.98
Loan from Banks, unsecured #	1,820.00	-
	<u>1,828.41</u>	<u>11.98</u>

* Includes loan from Banks Nil (previous year Rs.0.07 Mln.) and others Rs.8.41 Mln. (previous year Rs.11.91 Mln.)

Rs.1,820.00 Mln. (previous year Nil), supported by corporate guarantee from The Ramco Cements Limited.

4.1 The hire purchase loans are secured by hypothecation of assets (Vehicles) procured under the hire purchase scheme.

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4.2 Terms of repayment: These loans are repayable in 48/60 equal monthly instalments from the date of disbursement.

The interest and maturity profile are as under:

As at 31.03.2014

Rate of Interest	2017-18	2016-17	2015-16	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
10.50%	-	-	0.02	0.02
10.75%	0.47	0.85	0.77	2.09
11.00%	-	1.06	1.35	2.41
11.25%	-	0.81	1.72	2.53
11.50%	-	0.17	1.19	1.36
Total	0.47	2.89	5.05	8.41

As at 31.03.2013

Rate of Interest	2016-17	2015-16	2014-15	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
9.00%	-	-	0.46	0.46
10.25%	-	-	0.15	0.15
10.50%	-	0.02	0.24	0.26
10.75%	0.43	0.39	0.35	1.17
11.00%	1.02	1.35	1.20	3.57
11.25%	0.43	1.61	1.44	3.48
11.50%	0.03	1.14	1.72	2.89
Total	1.91	4.51	5.56	11.98

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
5 Other Long Term Liabilities		
Rental Advance (s)	-	38.40
6 Long Term Provisions		
Provision for gratuity	0.59	18.56
Provision for leave encashment	54.36	80.14
	<u>54.95</u>	<u>98.70</u>
7 Short Term Borrowings		
Loans repayable on demand from Banks, secured	95.00	85.00
Loans from Banks, unsecured	1,300.00	2,530.00
Loans from others, unsecured	430.00	-
Loans repayable on demand from Banks, unsecured	-	100.00
Loan repayable on demand from related parties, unsecured	-	137.50
	<u>1,825.00</u>	<u>2,852.50</u>

7.1 Short Term Borrowings Terms of Repayment and Security details

Loans repayable on demand, from Banks, secured consists of:

- (a) Rs.10.00 Mln. (previous year Rs.10.00 Mln.) secured by a pari-passu first charge on current assets including stocks and book debts and fixed assets of the Company except assets given as exclusive charge and assets acquired on hire purchase or lease and supported by a Corporate Guarantee from Ramco Industries Limited and
- (b) Rs.85.00 Mln. (previous year Rs.75.00 Mln.) secured by a pari-passu first charge on the current assets including stocks and book debts and supported by a Corporate Guarantee from Ramco Industries Limited.

Loans from Banks, unsecured, consists of :

- (a) Rs.1,000.00 Mln. (previous year Rs.2,230.00 Mln.), supported by Corporate Guarantee from The Ramco Cements Limited and
- (b) Rs.300.00 Mln. (previous year Rs.300.00 Mln.), supported by Corporate Guarantee from Ramco Industries Limited

Loans from others, unsecured, consists of :

- (a) Rs.430.00 Mln. (previous year Nil), supported by Corporate Guarantee from The Ramco Cements Limited

Loans repayable on demand from Banks, unsecured, consists of:

- (a) Nil (previous year Rs.100.00 Mln.) supported by corporate guarantee from The Ramco Cements Limited.

Loans repayable on demand from related parties, unsecured, consists of:

- (a) Nil (previous year Rs.137.50 Mln.) from The Ramco Cements Limited.

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
8 Trade Payables		
Subsidiaries	63.60	93.21
Others	163.16	140.28
	226.76	233.49
8.1	There are no Micro and Small Enterprises, to whom the Company owes dues as at 31 st March 2014 and on 31 st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.	
9 Other Current Liabilities		
Unearned revenue	106.07	50.13
Hire Purchase Loans, secured #	6.49	5.75
Interest accrued but not due	1.51	0.44
Statutory dues payable	24.62	23.14
Expenses payable	75.54	97.45
Others *	25.83	34.83
	240.06	211.74
10 Short Term Provisions		
Provision for leave encashment	3.54	2.52

10.1 No provision for tax for the Company (including its Branches at United Kingdom and Germany) has been made in view of absence of taxable profits during current and previous year. The company has net deferred tax assets as on 31st March 2014 and as on 31st March 2013, which arise mainly on account of carry forward losses. However the company has not taken credit for such net deferred tax assets.

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11 Fixed Assets

(Rs. Mln.)

Asset Description	Gross Block				Depreciation Block				Net Block	
	As at 01.04.2013	Additions	Withdrawals	As at 31.03.2014	Up to 01.04.2013	For the year	Withdrawals	Up to 31.03.2014	As at 01.04.2013	As at 31.03.2014
TANGIBLE ASSETS										
Building	3.12	-	-	3.12	1.56	0.10	-	1.66	1.56	1.46
Plant & Machinery - EDP	332.61	22.98	5.78	349.81	248.13	29.94	5.11	272.96	84.48	76.85
Furniture	34.00	1.25	25.29	9.96	25.22	1.96	23.63	3.55	8.78	6.41
Office Equipments	0.82	1.14	0.02	1.94	0.61	0.06	0.01	0.66	0.21	1.28
Electrical Items	70.38	7.54	30.21	47.71	25.87	3.43	20.33	8.97	44.51	38.74
Vehicles	25.46	4.38	1.88	27.96	3.40	2.53	0.28	5.65	22.06	22.31
Sub-Total	466.39	37.29	63.18	440.50	304.79	38.02	49.36	293.45	161.60	147.05
Previous year	417.73	59.21	10.55	466.39	262.72	45.42	3.35	304.79	155.01	161.60
INTANGIBLE ASSETS										
Technology Platform	894.79	142.07	-	1,036.86	396.17	79.82	-	475.99	498.62	560.87
Product Software	2,248.74	476.06	-	2,724.80	785.40	224.87	-	1,010.27	1,463.34	1,714.53
Patents	11.02	0.60	-	11.62	2.89	1.13	-	4.02	8.13	7.60
Software	362.32	13.63	-	375.95	256.50	27.34	-	283.83	105.82	92.12
Sub-Total	3,516.87	632.36	-	4,149.23	1,440.96	333.16	-	1,774.11	2,075.91	2,375.12
Previous year	2,823.91	692.96	-	3,516.87	1,162.38	278.58	-	1,440.96	1,661.53	2,075.91
Grand Total	3,983.26	669.65	63.18	4,589.73	1,745.75	371.18	49.36	2,067.56	2,237.51	2,522.17
Previous year	3,241.64	752.17	10.55	3,983.26	1,425.10	324.00	3.35	1,745.75	1,816.54	2,237.51

- Note:**
- Gross block under vehicles includes assets purchased under Hire Purchase Rs.27.21 Mln. (previous year Rs.24.72 Mln.), Net block as on 31st March 2014 Rs.21.95 Mln. (previous year Rs.21.63 Mln.).
 - Gross block under plant & machinery-EDP includes assets purchased under Finance Lease Rs.25.29 Mln. (previous year Rs.25.29 Mln.), Net block as on 31st March 2014 Rs.3.20 Mln. (previous year Rs.7.39 Mln.).
 - Additions to the gross block in respect of technology platform include capitalisation of interest amounting to Rs.62.05 Mln. (previous year Rs.53.78 Mln.) and product software include Rs.207.94 Mln. (previous year Rs.172.32 Mln.).

As at
31.03.2014
(Rs. Mln.)

As at
31.03.2013
(Rs. Mln.)

12 Non-current Investments

Equity investments in subsidiaries at cost, long term, trade, unquoted

192,729,550 Shares in Ramco Systems Corporation, USA of face value of USD 0.0145 each (Previous year 192,729,550 shares @ USD 0.0145 each)	743.41	743.41
1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (Previous year 1,400,000 Shares @ CHF 1 each)	441.70	441.70
725,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (Previous year 725,000 Shares @ SGD 1 each)	18.62	18.62
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (Previous year 1,280,000 Shares @ RM 1 each)	18.22	18.22
100 Shares in RSL Enterprise Solutions (Pty.) Ltd., South Africa of face value of ZAR 1 each amounting to Rs.701 (Previous year 100 Shares @ ZAR 1 each amounting to Rs.701)	-	-
50 Shares in Ramco Systems Dubai, FZLLC, of AED 1000 each (Previous year 50 Shares @ AED 1000 each)	0.62	0.62
250,000 Shares in Ramco Systems Australia Pty Ltd., Australia, of AUD 1 each (Previous year 250,000 Shares @ AUD 1 each)	14.66	14.66
100,000 Shares in RSL Software Company Ltd., Sudan, of SDG 1 each (Previous year 100,000 Shares @ SDG 1 each)	2.08	2.08
	1,239.31	1,239.31

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)		
13 Long Term Loans and Advances				
Unsecured, considered good				
Advance Tax and Tax deducted at source	181.51	99.63		
Security deposits	13.72	29.12		
	<u>195.23</u>	<u>128.75</u>		
14 Other Non-current Assets				
Trade receivables, unsecured considered good	13.29	-		
Trade receivables, unsecured considered doubtful	0.33	4.66		
Provision for doubtful trade receivables	(0.33)	(4.66)		
Unbilled revenue	3.51	-		
	<u>16.80</u>	<u>-</u>		
15 Inventories				
Stock-in-trade *	0.14	0.14		
* Represents hardware and software materials held for resale, valued at cost or net realisable value whichever is lower and as certified by management				
16 Trade Receivables				
Unsecured, considered good				
a) Over six months from the date they were due for payment				
Trade receivables - subsidiaries	137.99	60.68		
Trade receivables - others	165.32	300.09		
b) Others				
Trade receivables - subsidiaries	280.43	133.28		
Trade receivables - others	382.08	306.73		
	<u>965.82</u>	<u>800.78</u>		
16.1 Trade receivables includes dues from Subsidiaries as below:		(Rs. Mln.)		
Subsidiary	Outstanding as at		Maximum amount due during	
	31.03.2014	31.03.2013	2013-14	2012-13
Ramco Systems Corporation, USA	22.51	9.40	36.31	57.73
Ramco Systems Ltd., Switzerland	2.27	-	7.63	-
Ramco Systems Sdn Bhd., Malaysia	80.29	5.16	80.29	5.16
Ramco Systems Pte Ltd., Singapore	74.76	22.06	74.76	25.66
RSL Enterprise Solutions (Pty.) Ltd., South Africa	128.33	110.04	132.00	110.04
Ramco Systems Canada Inc., Canada	0.07	0.29	1.29	21.57
Ramco Systems FZLLC, Dubai	89.42	44.10	89.42	44.10
RSL Software Company Ltd., Sudan	14.55	2.65	16.19	8.57
Ramco Systems Australia Pty Ltd., Australia	6.22	0.26	6.87	0.26
	<u>418.42</u>	193.96	<u>444.76</u>	273.09

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	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)																									
17 Cash and Bank Balances																											
Cash and cash equivalents																											
Cash on hand	0.19	0.20																									
Balance with Banks	28.66	48.76																									
Other Bank balances																											
Term deposits held as margin money against bank guarantees	0.62	0.58																									
Term deposits others	2.42	2.24																									
Balance in Rights Issue / ESOS accounts	4.24	0.16																									
	<u>36.13</u>	<u>51.94</u>																									
18 Short Term Loans and Advances																											
Unsecured, considered good																											
Loans and advances to related parties	17.89	10.68																									
Loans and advances others *	130.20	95.72																									
	<u>148.09</u>	<u>106.40</u>																									
* Includes customer security deposits, vendor advances, employee advances, statutory advances and prepaid expenses																											
18.1 Short Term Loans and Advances includes dues from Subsidiaries as below:		(Rs. Mln.)																									
	<table border="1"> <thead> <tr> <th rowspan="2">Subsidiary</th> <th colspan="2">Outstanding as at</th> <th colspan="2">Maximum amount due during</th> </tr> <tr> <th>31.03.2014</th> <th>31.03.2013</th> <th>2013-14</th> <th>2012-13</th> </tr> </thead> <tbody> <tr> <td>Ramco Systems Pte Ltd., Singapore</td> <td style="text-align: right;">17.89</td> <td style="text-align: right;">4.35</td> <td style="text-align: right;">17.89</td> <td style="text-align: right;">17.46</td> </tr> <tr> <td>RSL Enterprise Solutions (Pty.) Ltd., South Africa</td> <td style="text-align: center;">-</td> <td style="text-align: right;">6.33</td> <td style="text-align: right;">6.33</td> <td style="text-align: right;">20.99</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>17.89</u></td> <td style="text-align: right;"><u>10.68</u></td> <td style="text-align: right;"><u>24.22</u></td> <td style="text-align: right;"><u>38.45</u></td> </tr> </tbody> </table>			Subsidiary	Outstanding as at		Maximum amount due during		31.03.2014	31.03.2013	2013-14	2012-13	Ramco Systems Pte Ltd., Singapore	17.89	4.35	17.89	17.46	RSL Enterprise Solutions (Pty.) Ltd., South Africa	-	6.33	6.33	20.99		<u>17.89</u>	<u>10.68</u>	<u>24.22</u>	<u>38.45</u>
Subsidiary	Outstanding as at		Maximum amount due during																								
	31.03.2014	31.03.2013	2013-14	2012-13																							
Ramco Systems Pte Ltd., Singapore	17.89	4.35	17.89	17.46																							
RSL Enterprise Solutions (Pty.) Ltd., South Africa	-	6.33	6.33	20.99																							
	<u>17.89</u>	<u>10.68</u>	<u>24.22</u>	<u>38.45</u>																							
19 Other Current Assets																											
Unbilled revenue	374.70	380.81																									
Software work in progress	-	2.74																									
	<u>374.70</u>	<u>383.55</u>																									

	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs. Mln.)		
20 Revenue from operations				
Software revenue (License & Services)	1,291.05	1,473.73		
Resale software and hardware materials	21.34	90.25		
Royalty income	295.69	126.95		
	1,608.08	1,690.93		
20.1 Earnings in foreign exchange				
Export of goods and services on FOB basis	486.64	308.47		
Royalty	295.69	126.95		
	782.33	435.42		
21 Other Income				
Interest income	2.33	1.97		
Profit on sale of assets	0.19	0.45		
Recovery of expenses from customers	19.87	11.22		
Rent income	44.03	46.91		
Other income	0.29	0.27		
	66.71	60.82		
22 Changes in Inventories of Stock-in-trade				
Opening stock	0.14	16.93		
Closing stock	0.14	0.14		
	-	16.79		
22.1 Value of consumption of imported and Indigenous raw materials and spare parts				
	Year ended 31.03.2014		Year ended 31.03.2013	
Resale Materials	(Rs. Mln.)	%	(Rs. Mln.)	%
Imported	5.21	25.72	20.07	26.16
Indigenous	15.04	74.28	56.64	73.84
	20.25	100.00	76.71	100.00
22.2 CIF value of Imports				
Resale materials	5.21	7.07		
Capital goods	3.43	45.15		
Outflow for patent applications	3.15	3.26		
	11.79	55.48		

Ramco Systems Limited, INDIA

	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs. Mln.)
23 Employee Benefit Expense		
Salaries, wages, bonus etc.,	683.35	783.04
Provident fund contribution	41.43	44.59
Gratuity and other retirals	1.86	53.68
Staff welfare	16.13	7.02
	742.77	888.33

23.1 Disclosure of Employee Benefits as per Accounting Standard 15 (Revised 2005):

a) Defined Contribution Plan:

Employer's Contribution to Provident Fund	41.43	44.59
Employer's Contribution to Superannuation & National Pension System etc.,	15.88	17.19

b) Defined Benefit Plan:

(Rs. Mln.)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)
Reconciliation of opening and closing balances of defined benefit plan:				
Defined Benefit obligation as on 01 st April	132.27	54.63	102.01	70.15
Current Service Cost	13.80	4.77	18.69	2.80
Interest Cost	11.33	4.14	7.92	5.47
Actuarial (gain) / loss	(28.86)	(14.61)	19.16	18.39
Benefits paid	(12.79)	(7.03)	(15.51)	(10.15)
Defined Benefit obligation as on 31 st March	115.75	41.90	132.27	54.63 *
Reconciliation of opening and closing balances of fair value of plan assets:				
Fair value of plan assets as on 01 st April	113.71	-	73.22	-
Expected return on plan assets	9.22	-	7.11	-
Actuarial (gain)/loss	1.06	-	2.17	-
Employer contribution	16.24	-	46.72	-
Benefits paid	(12.79)	-	(15.51)	-
Fair value of plan assets as on 31 st March	127.44	-	113.71	-
Actual return on plan assets	10.29	-	9.28	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	127.45	-	113.71	-
Present value of obligation	(115.75)	(41.90)	(132.27)	(54.63)
Amount recognized in Balance Sheet	11.69	(41.90)	(18.56)	(54.63)
Expense recognized during the year:				
Current Service Cost	13.80	4.77	18.69	2.80
Interest Cost	11.33	4.14	7.92	5.47
Expected return on plan assets	(9.24)	-	(7.11)	-
Actuarial (gain) / loss	(29.91)	(14.61)	16.99	18.39
Net Cost	(14.02)	(5.70)	36.49	26.66

Particulars	As at 31.03.2014		As at 31.03.2013	
	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)
Investment Details:				
GOI Securities	-	-	-	-
State Government Securities	-	-	-	-
High Quality Corporate Bonds	-	-	-	-
Funds with LIC	100%	-	100%	-
Others	-	-	-	-
Actuarial assumptions:				
Attrition rate	10%	10%	6%	6%
Discount rate p.a	9%	9%	8%	8%
Expected rate of return on plan assets p.a	8%	-	8%	-
Rate of escalation in salary p.a	10%	10%	10%	10%

* During 2012-13, the Company had revised the leave policy effective 1st January 2013. As per this, the leave encashment liability was crystalized at Rs.32.04 Mln., which has been excluded from arriving at the actuarial liability. Out of this, Rs.16.00 Mln. is outstanding as on 31st March 2014 (previous year Rs.28.03 Mln.).

	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs. Mln.)
24 Finance Costs		
Interest on Loans	110.19	58.08
Other finance costs	4.27	2.44
	114.46	60.52
25 Other Expenses		
Advertisement & sales promotion	46.80	34.75
Bank charges	2.55	1.39
Bad and doubtful debts & advances	102.23	29.44
Consultancy charges	9.81	20.81
Foreign exchange fluctuation, net	(55.91)	(14.31)
Insurance	1.72	2.37
Loss on sale of fixed assets	11.56	5.11
Office maintenance	17.72	17.41
Outsourcing costs	69.04	91.80
Power & fuel	12.76	16.63
Printing & stationery	2.16	2.39
Postage, telephone and communication	26.11	31.36
Rent	172.05	150.98
Repairs - Buildings	2.81	3.91
Repairs - Plant & Machinery	12.46	7.97
Repairs - Others	4.70	8.07
Rates & taxes	30.14	20.07
Sales commission and other selling expenses	1.66	9.79
Software subscription and maintenance	7.94	26.55
Travel & conveyance	131.99	105.31
Unfructified patent expenses	0.86	9.09
Other miscellaneous expenses	7.72	9.39
	618.88	590.28

Ramco Systems Limited, INDIA

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
26 Contingent Liabilities and Commitments:		
26.1 Contingent Liabilities:		
(a) Bank Guarantees	31.04	33.52
(b) Corporate Guarantee issued in favour of a customer of the Malaysian subsidiary, Ramco Systems Sdn., Bhd.	29.68	-
(c) Disputed Income Tax/ Wealth tax demands – pending before the first appellate authority	22.55	12.34
(d) In respect of disputed Sales Tax demand amounting to Rs.1.91 mln. (Previous year Rs.1.91 Mln.), appeal is pending with the first Appellate Authority. Against this, Rs.0.95 Mln. has been deposited and for the balance, Bank Guarantee has been furnished.		
<p>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.</p>		
26.2 Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	24.57	19.75
(b) The Company has undertaken to provide continued financial support to its subsidiaries RSL Enterprise Solutions Pty Ltd., S.Africa, Ramco Systems Pte Ltd., Singapore and Ramco Systems Australia Pty Ltd., Australia.		
	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs.Mln.)
27 Expenditure in Foreign Currency on account of:		
Professional / consultation fees	3.52	11.66
Travelling	41.47	41.68
Others	34.09	19.15
	79.08	72.49
28 Fees paid to Statutory Auditors (Excluding service tax)		
(a) Statutory Audit	0.90	0.85
(b) Tax Audit	0.15	0.15
(c) Independent Auditor's report under AS-21	0.20	0.20
(d) Rights Issue Certification	0.50	-
(e) Other certification	0.33	0.50
(f) Reimbursement of out of pocket expenses	0.04	0.06
	2.12	1.76

The fee against serial number (d) above is in connection with the ongoing Rights Issue 2013, which would be adjusted against Securities Premium account upon realisation of the proceeds of the said Rights Issue and the rest are included under the head "Consultancy Charges".

29 Research and Development

Statement of Profit and Loss, Balance Sheet and Schedules, based on separate books maintained in respect of the Research & Development Activities, are enclosed.

30 Segment Revenue

The company currently operates only in one segment, viz., Software solutions & Services and hence the segment reporting as required by AS-17, issued by The Institute of Chartered Accountants of India does not apply.

31 Related Party Transactions

As per Accounting Standard (AS-18) issued by The Institute of Chartered Accountants of India, the Company's related parties are given below:

(a) Subsidiary Companies:

- | | |
|--|---|
| 1. Ramco Systems Corporation, USA | 6. Ramco Systems Canada Inc., Canada
(wholly owned subsidiary of Ramco Systems Corporation, USA) |
| 2. Ramco Systems Ltd., Switzerland | 7. Ramco Systems FZ-LLC, Dubai |
| 3. Ramco Systems Pte Ltd., Singapore | 8. RSL Software Company Limited, Sudan |
| 4. Ramco Systems Sdn Bhd., Malaysia | 9. Ramco Systems Australia Pty Ltd., Australia |
| 5. RSL Enterprise Solutions (Pty) Ltd., South Africa | |

(b) Key Management Personnel and Relatives:

1. Shri P R Ramasubrahmaneya Rajha
2. Shri P R Venketrama Raja

(c) Enterprises over which the above persons exercise significant influence and with which the company has transactions during the year ("Group"):

- | | |
|---|------------------------------------|
| 1. Rajapalayam Mills Limited | 7. Thanjavur Spinning Mill Limited |
| 2. The Ramco Cements Limited | 8. Rajapalayam Spinners Limited |
| 3. Ramco Industries Limited | 9. Sri Harini Textiles Limited |
| 4. The Ramaraju Surgical Cotton Mills Limited | 10. Swarna Bhoomi Estate |
| 5. Sri Vishnu Shankar Mills Limited | 11. Thanga Vilas Estate |
| 6. Sandhya Spinning Mill Limited | |

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

(Rs. Mln.)

Particulars	Transactions during 2013-14	Outstanding as at 31.03.2014	Transactions during 2012-13	Outstanding as at 31.03.2013
Income from Sale of goods & services				
Ramco Systems Corporation, USA	66.92	-	55.40	0.26
Ramco Systems Canada Inc., Canada	-	-	0.58	-
Ramco Systems Limited, Switzerland	4.25	0.09	4.00	-
Ramco Systems Sdn. Bhd., Malaysia	30.53	26.88	9.22	3.08
Ramco Systems Pte. Ltd., Singapore	34.44	39.73	16.80	7.63
RSL Enterprise Solutions (Pty) Ltd., S.Africa	141.33	128.33	130.86	110.04
Ramco Systems FZ-LLC, Dubai	73.37	51.42	42.86	34.03
RSL Software Company Limited, Sudan	1.96	14.56	5.11	2.65
Ramco Systems Australia Pty Ltd., Australia	6.75	5.63	0.38	0.27
The Ramco Cements Limited	161.06	5.51	567.12	70.66

Ramco Systems Limited, INDIA

(Rs. Mln.)

Particulars	Transactions during 2013-14	Outstanding as at 31.03.2014	Transactions during 2012-13	Outstanding as at 31.03.2013
Ramco Industries Limited	7.22	0.40	8.85	0.09
Rajapalayam Mills Limited	1.06	0.46	1.28	0.04
Sri Vishnu Shankar Mills Limited	0.60	0.15	0.65	0.01
Sandhya Spinning Mill Limited	0.42	0.09	0.55	-
Thanjavur Spinning Mill Limited	0.40	0.31	0.31	-
Rajapalayam Spinners Limited	0.07	-	0.14	-
Sri Harini Textiles Limited	0.09	0.02	0.09	-
The Ramaraju Surgical Cotton Mills Limited	0.18	0.04	0.81	0.02
Swarna Bhoomi Estate	0.36	0.00	0.10	-
Thanga Vilas Estate	0.16	0.00	0.13	-
Income from royalty				
Ramco Systems Corporation, USA	123.76	22.51	58.17	9.14
Ramco Systems Canada Inc., Canada	1.07	0.07	1.19	0.29
Ramco Systems Limited, Switzerland	26.29	2.18	20.12	-
Ramco Systems Sdn. Bhd., Malaysia	62.41	53.41	7.16	2.08
Ramco Systems Pte. Ltd., Singapore	23.84	35.03	29.36	14.42
Ramco Systems FZ-LLC, Dubai	57.71	37.99	10.94	10.07
Ramco Systems Australia Pty. Ltd Australia	0.60	0.59	-	-
Cost of services availed				
Ramco Systems Corporation, USA	-	45.58	-	67.16
Ramco Systems Limited, Switzerland	-	18.02	-	26.05
Ramco Industries Limited	0.10	-	-	-
Loans availed				
The Ramco Cements Limited	2,052.50	-	1,620.00	137.50
Loans given				
RSL Enterprise Solutions (Pty) Ltd., S.Africa	-	-	27.30	6.33
Ramco Systems Pte. Ltd., Singapore	11.94	17.89	13.13	4.35
Investments				
RSL Software Company Limited, Sudan	-	-	2.08	-
Ramco Systems Australia Pty Ltd, Australia	-	-	14.66	-
Interest - Expense				
The Ramco Cements Limited	25.12	-	32.64	-
Interest - Income				
RSL Enterprise Solutions (Pty) Ltd., S.Africa	0.12	-	0.97	4.33
Ramco Systems Pte. Ltd., Singapore	1.76	1.76	0.55	-
Rent - Expense				
The Ramco Cements Limited	79.69	-	79.69	-

Notes: (a) Details of corporate guarantees given by the Group are given in Note Nos.4 and 7.1 above.

(b) Details of transactions with Key Management Personnel and Relatives

- (i) Remuneration paid to Shri P.R. Venketrana Raja for the year is Rs.1.17 Mln. (previous year Rs.1.17 Mln.).
- (ii) Sitting fee paid to Shri P.R. Ramasubrahmaneya Rajha Rs. 0.03 Mln. (previous year Rs. 0.02 Mln.).

(c) The above figures include taxes as applicable.

- 32** Amounts recovered from Subsidiaries towards expenses incurred on account of on-site employees to the extent of Rs. 66.77 Mln. (previous year Rs.74.28 Mln.) have been netted of from expenses.
- 33** Figures for the previous year have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
- 34** The Company's shares are listed on Madras Stock Exchange Limited, BSE Limited and The National Stock Exchange of India Limited. The Listing Fees payable to these stock exchanges have been paid.
- 35** The figures in Rupees have been rounded off to the million in both current and previous year.

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

P R RAMASUBRAHMANEYA RAJHA
 Chairman

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

M M VENKATACHALAM

C N GANGADARAN
 Partner
 Membership No.:11205

P R VENKETRAMA RAJA
 Vice Chairman and Managing Director

A V DHARMAKRISHNAN

R S AGARWAL

Place : Chennai
 Date : 22nd May 2014

G VENKATRAM
 Company Secretary

Directors

Ramco Systems Limited, INDIA

RESEARCH AND DEVELOPMENT ACTIVITIES (REFER SL.NO.29 OF NOTES ON FINANCIAL STATEMENTS)

BALANCE SHEET AS AT MARCH 31, 2014

	Note Number	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)
EQUITY AND LIABILITIES			
Reserves and Surplus	1	(3,063.14)	(2,753.48)
		(3,063.14)	(2,753.48)
Current Liabilities			
Short Term Borrowings		2,480.12	2,110.83
Trade Payables		8.89	5.21
Other Current Liabilities		0.01	0.01
Head Office Contra Account		2,878.95	2,631.35
		5,367.97	4,747.40
TOTAL		2,304.83	1,993.92
ASSETS			
Non-current Assets			
Fixed Assets	2		
- Tangible Assets		2.33	2.36
- Intangible Assets		2,300.10	1,991.56
Current Assets			
Short term loans and advances		2.40	-
TOTAL		2,304.83	1,993.92

Notes on Financials of Research & Development Activities **1 to 6**

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
Chairman

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

G VENKATRAM
Company Secretary

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

M M VENKATACHALAM

A V DHARMAKRISHNAN

R S AGARWAL

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note Number	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2013 (Rs. Mln.)
INCOME			
Profit on sale of fixed assets		0.07	-
EXPENDITURE			
Employee Benefit Expense	3	-	-
Finance Costs	4	-	-
Depreciation and Amortisation Expense	2	309.73	257.15
Other Expenses	5	-	-
Total Expenditure		309.73	257.15
Profit / (Loss) For the Year		309.66	257.15

Notes on Financials of Research & Development Activities

1 to 6

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

P R RAMASUBRAHMANEYA RAJHA
Chairman

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

C N GANGADARAN
Partner
Membership No.:11205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM

A V DHARMAKRISHNAN

Place : Chennai
Date : 22nd May 2014

G VENKATRAM
Company Secretary

R S AGARWAL

Directors

Ramco Systems Limited, INDIA

NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2013 (Rs. Mln.)																																																																																																																																																																												
1 Revenue Expenditure of Research and Development Activities																																																																																																																																																																														
Transferred from Profit and Loss Account	(309.66)	(257.15)																																																																																																																																																																												
Balance brought forward from previous year	<u>(2,753.48)</u>	<u>(2,496.33)</u>																																																																																																																																																																												
	(3,063.14)	(2,753.48)																																																																																																																																																																												
2 Fixed Assets		(Rs. Mln.)																																																																																																																																																																												
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31.03.2014	TANGIBLE ASSETS											Plant & Machinery-EDP	80.45	-	1.39	79.06	78.12	0.02	1.39	76.75	2.33	2.31	Electrical Items	0.12	-	-	0.12	0.09	0.01	-	0.10	0.03	0.02	Sub-Total	80.57	-	1.39	79.18	78.21	0.03	1.39	76.85	2.36	2.33	Previous year	80.57	-	-	80.57	72.13	6.08	-	78.21	8.44	2.36	INTANGIBLE ASSETS											Technology Platform	894.79	142.07	-	1,036.86	396.17	79.82	-	475.99	498.62	560.87	Product Software	2,248.73	476.06	-	2,724.79	785.40	224.87	-	1,010.27	1,463.33	1,714.52	Computer Software	76.20	0.11	-	76.31	46.59	5.01	-	51.60	29.61	24.71	Sub-Total	3,219.72	618.24	-	3,837.96	1,228.16	309.70	-	1,537.86	1,991.56	2,300.10	Previous year	2,582.66	637.08	-	3,219.74	977.10	251.07	-	1,228.17	1,605.56	1,991.56	Grand Total	3,300.29	618.24	1.39	3,917.14	1,306.37	309.73	1.39	1,614.71	1,993.92	2,302.43	Previous year	2,663.23	637.08	-	3,300.31	1,049.23	257.15	-	1,306.38	1,614.00	1,993.92
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3 Employee Benefit Expense																																																																																																																																																																														
Salaries, Bonus, contributions etc.,	291.34	320.64																																																																																																																																																																												
Staff welfare	<u>7.48</u>	<u>2.49</u>																																																																																																																																																																												
Gross cost	298.82	323.13																																																																																																																																																																												
Less: Product Research and Development Expenditure Capitalised	<u>(298.82)</u>	<u>(323.13)</u>																																																																																																																																																																												
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4 Finance Costs																																																																																																																																																																														
Interest on loans	<u>270.51</u>	<u>226.09</u>																																																																																																																																																																												
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5 Other Expenses																																																																																																																																																																														
Postage & telephone	1.33	1.79																																																																																																																																																																												
Power & fuel	25.46	29.78																																																																																																																																																																												
Travel & conveyance	2.12	0.24																																																																																																																																																																												
Consultancy & outsourcing charges	18.68	19.64																																																																																																																																																																												
Other miscellaneous expenses	<u>1.21</u>	<u>1.29</u>																																																																																																																																																																												
Gross cost	48.80	52.74																																																																																																																																																																												
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6 Calculation of Total R&D Expenditure																																																																																																																																																																														
(i) Capital Expenditure for R&D (exclusive of Product Research & Development Expenditure capitalised) (Refer Note No. 2)	0.03	35.10																																																																																																																																																																												
(ii) Recurring R&D Expenditure:																																																																																																																																																																														
Employee Benefit Expense-Gross (Refer Note No. 3)	298.82	323.13																																																																																																																																																																												
Finance Costs-Gross (Refer Note No.4)	270.51	226.09																																																																																																																																																																												
Other Expenses-Gross (Refer Note No.5)	48.80	52.74																																																																																																																																																																												
Sub-total	<u>618.13</u>	<u>601.96</u>																																																																																																																																																																												
Total R&D expenditure (i) + (ii)	<u>618.16</u>	<u>637.06</u>																																																																																																																																																																												

RAMCO SYSTEMS LIMITED
GLOBAL CONSOLIDATED FINANCIAL STATEMENTS UNDER AS-21

SUBSIDIARIES

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

AUDITORS

Messers CNGSN & Associates
Chartered Accountants, Chennai

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**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF RAMCO SYSTEMS LIMITED ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO SYSTEMS LIMITED, INDIA AND ITS SUBSIDIARIES**

We have audited the accompanying consolidated financial statements of Ramco Systems Limited ('the Company') and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31st March 2014, the consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other matters

We did not audit the Financial Statements of certain Subsidiaries, whose Financial Statements reflect total assets of Rs. 539.37 Mln. as at 31st March 2014 and total revenues of Rs. 648.11 Mln. for the year then ended. These Financial Statements have been audited / reviewed by other Auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these Subsidiaries, is based solely on the report of the other Auditors, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The Financial Statement of a Subsidiary which reflect total assets of Rs.101.13 Mln. as at 31st March 2014 and total revenues of Rs.265.90 Mln. for the year then ended and the Financial Statement of the Associate for the year ended 28th February 2014 have not been audited. Our opinion, in so far as it relates to the amounts included in respect of that Subsidiary and the Associate, is based solely on such unaudited Financial Statements. Our opinion is not qualified in respect of other matters.

For CNGSN & Associates
Chartered Accountants
Registration No.004915S

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

Ramco Systems Limited, Global Consolidated (Under AS-21)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note Number	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)	As at 31.03.2013 (Rs. Mln.)	As at 31.03.2013 (USD Mln.)
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	159.52	3.63	157.73	3.60
Reserves and Surplus	3	916.98	14.50	1,127.44	20.20
		<u>1,076.50</u>	<u>18.13</u>	<u>1,285.17</u>	<u>23.80</u>
Minority Interest		1.33	0.03	0.36	0.01
Non-current Liabilities					
Long Term Borrowings	4	1,828.41	30.81	11.98	0.22
Deferred Tax Liability (Net)		1.23	0.02	1.28	0.03
Other Long Term Liabilities	5	2.76	0.05	38.40	0.71
Long Term Provisions	6	106.16	1.79	148.45	2.75
		<u>1,938.56</u>	<u>32.67</u>	<u>200.11</u>	<u>3.71</u>
Current Liabilities					
Short Term Borrowings	7	1,825.00	30.75	2,852.50	52.84
Trade Payables	8	224.04	3.77	214.90	3.99
Other Current Liabilities	9	530.09	8.93	381.46	7.06
Short Term Provisions	10	11.41	0.19	2.66	0.05
		<u>2,590.54</u>	<u>43.64</u>	<u>3,451.52</u>	<u>63.94</u>
TOTAL		<u>5,606.93</u>	<u>94.47</u>	<u>4,937.16</u>	<u>91.46</u>
ASSETS					
Non-current Assets					
Fixed Assets	11				
- Tangible Assets		153.53	2.59	168.47	3.12
- Intangible Assets		2,375.27	40.02	2,076.86	38.48
Goodwill (on consolidation)		994.51	16.76	994.51	18.42
Non-current Investments	12	3.75	0.06	2.68	0.05
Long Term Loans and Advances	13	217.58	3.67	149.17	2.76
Other Non-current Assets	14	56.54	0.95	-	-
		<u>3,801.18</u>	<u>64.05</u>	<u>3,391.69</u>	<u>62.83</u>
Current Assets					
Inventories	15	0.14	-	0.14	0.01
Trade Receivables	16	1,033.26	17.41	769.34	14.25
Cash and Bank Balances	17	116.40	1.96	132.88	2.46
Short Term Loans and Advances	18	146.41	2.47	105.39	1.95
Other Current Assets	19	509.54	8.58	537.72	9.96
		<u>1,805.75</u>	<u>30.42</u>	<u>1,545.47</u>	<u>28.63</u>
TOTAL		<u>5,606.93</u>	<u>94.47</u>	<u>4,937.16</u>	<u>91.46</u>

Notes on Consolidated Financial Statements

1 to 33

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

P R RAMASUBRAHMANEYA RAJHA
Chairman

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

C N GANGADARAN
Partner
Membership No.:11205

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

M M VENKATACHALAM

A V DHARMAKRISHNAN

Place : Chennai
Date : 22nd May 2014

G VENKATRAM
Company Secretary

R S AGARWAL

Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note Number	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)	Year ended 31.03.2013 (Rs. Mln.)	Year ended 31.03.2013 (USD Mln.)
INCOME					
Revenue from Operations	20	2,630.65	43.85	2,392.72	44.53
Other Income	21	96.14	1.60	81.20	1.51
Total Revenue		2,726.79	45.45	2,473.92	46.04
EXPENDITURE					
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	22	-	-	16.79	0.33
Purchase of stock-in-trade		23.65	0.39	60.71	1.11
Employee Benefit Expense	23	1,353.23	22.55	1,421.79	26.46
Finance Costs	24	114.92	1.92	60.53	1.13
Depreciation and Amortisation Expense	11	376.57	6.28	330.54	6.15
Other Expenses	25	1,087.72	18.13	991.44	18.45
Total expenses		2,956.09	49.27	2,881.80	53.63
Profit / (Loss) Before Tax		(229.30)	(3.82)	(407.88)	(7.59)
Tax Expenses					
- Current Tax	27	8.33	0.14	(0.37)	(0.01)
- Deferred Tax	27	-	-	-	-
Profit / (Loss) After Tax and Before Minority Interest & Equity in Earnings		(237.63)	(3.96)	(407.51)	(7.58)
Minority Interest	28	(0.97)	(0.02)	1.36	0.04
Equity in Earnings of Affiliates	28	1.07	0.02	1.78	0.03
Profit / (Loss) For The Year		(237.53)	(3.96)	(404.37)	(7.51)
Earnings per equity share (EPS) of face value of Rs.10 each:					
Basic & Diluted EPS (in Rs. and USD)		(15.06)	(0.25)	(25.81)	(0.48)
Weighted average number of Equity Shares outstanding - Basic		15,767,250		15,665,293	
Weighted average number of Equity Shares outstanding - Diluted		16,034,684		16,094,293	

Notes on Consolidated Financial Statements

1 to 33

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
Chairman

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

G VENKATRAM
Company Secretary

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

M M VENKATACHALAM

A V DHARMAKRISHNAN

R S AGARWAL

Directors

Ramco Systems Limited, Global Consolidated (Under AS-21)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)	Year ended 31.03.2013 (Rs. Mln.)	Year ended 31.03.2013 (USD Mln.)
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(229.28)	(3.82)	(407.88)	(7.59)
Adjusted for:				
Depreciation and Amortisation Expense	376.57	6.28	330.54	6.15
Bad debts written off	104.91	1.75	59.12	1.10
Provision for bad and doubtful debts	2.41	0.04	23.53	0.44
Finance Costs	114.92	1.92	60.53	1.13
(Profit)/Loss on Sale of Assets-Net	11.39	0.19	4.69	0.09
Interest Income	(0.62)	(0.01)	(0.60)	(0.01)
Effect of exchange difference on translation of deferred tax liability & fixed assets	(0.84)	5.49	(0.71)	3.33
Unrealised Exchange (Gain)/Loss	(29.70)	(0.50)	(11.70)	(0.22)
Effect of change in Foreign Currency Translation Reserve	15.48	(1.91)	11.86	(1.72)
Employee cost under ESOS/ESPS	0.43	(0.01)	15.91	0.29
Operating Profit/(Loss) Before Working Capital Changes	365.67	9.42	85.29	2.99
Working Capital Changes:				
Trade Receivables, Loans & Advances and Other Current /Non-current assets	(502.88)	(5.85)	(286.45)	(3.70)
Earmarked Balances with Banks - Margin money deposit	(0.05)	-	0.62	0.01
Inventories	-	-	16.79	0.33
Trade Payables, Provisions and Other liabilities	79.04	0.03	114.32	1.32
Cash Generated from Operations	(58.22)	3.60	(69.43)	0.95
Taxes Paid	(6.75)	(0.09)	7.44	0.16
Net Cash (Used in)/Generated from Operating Activities	(64.97)	3.51	(61.99)	1.11
B CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets	(402.53)	(6.78)	(528.71)	(9.78)
Proceeds from Sale of Fixed Assets	2.39	0.04	2.59	0.05
Term deposit with Banks - others	(1.05)	(0.01)	(1.16)	(0.02)
Proceeds from Long Term Borrowings for assets under Hire purchase / Finance lease	4.38	0.07	13.47	0.24
Repayment of Long Term Borrowings for assets under Hire purchase / Finance lease	(7.22)	(0.13)	(6.46)	(0.12)
Interest Income	0.62	0.01	0.60	0.01
Net Cash (Used in)/Generated from Investing Activities	(403.41)	(6.80)	(519.67)	(9.62)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital on account of exercise of employee stock options	8.89	0.14	7.92	0.15
Proceeds from Long Term Borrowings	1,820.00	30.63	-	-
Proceeds from Short Term Borrowings	3,597.50	55.83	6,005.00	108.87
Repayment of Short Term Borrowings	(4,625.00)	(77.93)	(5,137.50)	(95.17)
Finance Costs paid	(384.35)	(6.46)	(286.72)	(5.34)
Net Cash (Used in)/Generated from Financing Activities	417.04	2.21	588.70	8.51
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(51.34)	(1.08)	7.04	-
Effect of Unrealised Foreign Exchange Fluctuation Gain/(Loss)	29.70	0.50	11.70	0.22
Opening Balance of Cash and Cash Equivalents at the beginning of the year	129.89	2.41	111.15	2.19
Cash and Cash Equivalents at the end of the year	108.25	1.83	129.89	2.41
Earmarked Balances with Banks				
- Term Deposits held as margin money against bank guarantees	0.62	0.01	0.58	0.01
- Balance in ESOP / Rights issue accounts	4.24	0.07	0.17	-
Term Deposits - Others	3.29	0.05	2.24	0.04
Closing Cash and Bank Balances	116.40	1.96	132.88	2.46

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
Chairman

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

G VENKATRAM
Company Secretary

S S RAMACHANDRA RAJA

N K SHRIKANTAN RAJA

M M VENKATACHALAM

A V DHARMAKRISHNAN

R S AGARWAL

Directors

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

A Basis of Preparation:

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

B Use of Estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

II PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements have been prepared on the following basis:

The financial Statements of subsidiaries have been combined on a line by line basis by adding together the book values of like item of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The Financial Statement of the affiliate has been consolidated using the Equity Method as prescribed by Accounting Standard 23 issued by the Institute of Chartered Accountants of India.

The excess of cost of investments in subsidiary companies over its share of the equity of the subsidiary companies is recognised as 'Goodwill (on Consolidation)'. Such goodwill arising on consolidation is not amortized, but tested for impairment.

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 Parent Company's financial statements.

III TRANSLATION TO INDIAN RUPEES:

The functional currency of the Parent Company is Indian Rupee. The functional currencies of the subsidiaries are their respective local currencies. Their accounts are converted from their local currency to Indian Rupees in the following manner:

All income and expense items are translated at the moving average rate of exchange applicable for the year. All monetary and non-monetary assets and liabilities are translated at the closing rate as on Balance Sheet date. The equity share capital is stated at the exchange rate at the date of investment. The exchange difference arising out of the year end translation is debited or credited to Translation Reserve account and is being classified under Reserves and Surplus Account.

IV OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out in the note no. 1 under notes on the standalone financial statements of Ramco Systems Limited, India.

GENERAL INFORMATION

The Consolidated Financial Statements cover Ramco Systems Limited, India (the Parent company), its Subsidiaries and Affiliates as given below:

S.No.	Name	Country	% holding	Year ending on
Subsidiaries				
(a)	Ramco Systems Corporation	USA	98%	31 st March
(b)	Ramco Systems Limited	Switzerland	100%	31 st March
(c)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31 st March
(d)	Ramco Systems Pte. Limited	Singapore	100%	31 st March
(e)	RSL Enterprise Solutions (Pty) Limited	South Africa	100%	31 st March
(f)	Ramco Systems Canada Inc.,	Canada	98%	31 st March
(g)	Ramco Systems FZ-LLC	Dubai	100%	31 st March
(h)	RSL Software Company Ltd,	Sudan	100%	31 st March
(i)	Ramco Systems Australia Pty Ltd	Australia	100%	31 st March
Affiliate				
(a)	Citiworks (Pty) Limited (earlier known as Redlex 47 (Pty) Limited)	South Africa	30%	28 th February

Ramco Systems Limited, Global Consolidated (Under AS-21)

	As at 31.03.2014 (Rs. Min.)	As at 31.03.2014 (USD Min.)	As at 31.03.2013 (Rs. Min.)	As at 31.03.2013 (USD Min.)
2 Share Capital				
Authorised				
50,000,000 (Previous year 50,000,000) Equity Shares of Rs.10 each	500.00		500.00	
Issued				
16,265,763 (Previous year 16,086,293) Equity Shares of Rs.10 each	162.66	3.71	160.86	3.68
Subscribed				
16,265,763 (Previous year 16,086,293) Equity Shares of Rs.10 each	162.66	3.71	160.86	3.68
Paid-up				
15,916,585 (Previous year 15,737,115) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	159.52	3.63	157.73	3.60
	<u>159.52</u>	<u>3.63</u>	<u>157.73</u>	<u>3.60</u>
The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share.				
2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:				
Shares outstanding at the beginning of the year 15,737,115 (Previous year 15,516,743)	157.73	3.60	155.52	3.56
Shares issued during the year under ESOS - 179,470 (Previous year 220,372)	1.79	0.03	2.21	0.04
Shares outstanding at the end of the year 15,916,585 (Previous year 15,737,115)	<u>159.52</u>	<u>3.63</u>	<u>157.73</u>	<u>3.60</u>
3 Reserves and Surplus				
Securities Premium Account (includes value of forfeited shares of Rs.111,910 (previous year Rs.111,910) for 349,178 shares)	1,977.77	45.60	1,966.61	45.41
Translation reserve	90.90	(8.48)	75.40	(6.57)
Share Options Outstanding	5.12	0.07	4.71	0.08
Balance in Profit and Loss Account	<u>(1,156.81)</u>	<u>(22.69)</u>	<u>(919.28)</u>	<u>(18.72)</u>
	<u>916.98</u>	<u>14.50</u>	<u>1,127.44</u>	<u>20.20</u>
3.1 Securities Premium Account				
Opening Balance	1,966.61	45.41	1,949.57	45.10
Shares issued during the year under ESOS-179,470 (previous year 120,372)	11.16	0.19	5.83	0.11
Add: Transferred from stock options outstanding *	-	-	11.21	0.20
Closing Balance	<u>1,977.77</u>	<u>45.60</u>	<u>1,966.61</u>	<u>45.41</u>
* Previous year represents premium accounted (without receipt in cash) towards the difference between the market price of Rs.122.05 prevailing on the relevant date and the issue price of Rs.10 on 100,000 shares allotted on 28 th May 2012 under ESOS, as per SEBI guidelines.				
3.2 Stock options outstanding				
Gross employee stock compensation for options granted in earlier years	4.70	0.08	-	-
Add: Gross compensation options/shares granted during the year	0.42	(0.01)	15.92	0.28
Less: Transferred to securities premium on exercise of stock options/shares	-	-	(11.21)	(0.20)
Closing balance	<u>5.12</u>	<u>0.07</u>	<u>4.71</u>	<u>0.08</u>

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)	As at 31.03.2013 (Rs. Mln.)	As at 31.03.2013 (USD Mln.)
3.3 Balance in Profit and Loss Account				
Opening balance	(919.28)	(18.73)	(514.91)	(11.21)
Current year Profit / (Loss)	(237.53)	(3.96)	(404.37)	(7.51)
Closing balance	(1,156.81)	(22.69)	(919.28)	(18.72)
3.4 Foreign Currency Translation Reserve				
Opening balance	75.40	(6.57)	63.54	(4.85)
Movement during the year	15.50	(1.91)	11.86	(1.72)
Closing balance	90.90	(8.48)	75.40	(6.57)
4 Long Term Borrowings				
Hire purchase loans, secured *	8.41	0.14	11.98	0.22
Loan from banks unsecured #	1,820.00	30.67	-	-
	1,828.41	30.81	11.98	0.22

* Includes loan from Banks Nil (previous year Rs.0.07 Mln.) and others Rs.8.41 Mln. USD 0.14 Mln. (previous year Rs.11.91 Mln. USD 0.22 Mln.).

#Rs.1,820.00 Mln. (previous year Nil), supported by corporate guarantee from The Ramco Cements Limited.

- 4.1 The hire purchase loans are secured by hypothecation of assets (Vehicles) procured under the hire purchase scheme.
- 4.2 Terms of repayment: These loans are repayable in 48/60 equal monthly instalments from the date of disbursement. The interest and maturity profile are as under:

As at 31.03.2014 (In Mln.)

Rate of Interest	2017-18		2016-17		2015-16		Total	
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD
10.50%	-	-	-	-	0.02	-	0.02	-
10.75%	0.47	0.01	0.85	0.01	0.77	0.02	2.09	0.04
11.00%	-	-	1.06	0.02	1.35	0.02	2.41	0.04
11.25%	-	-	0.81	0.01	1.72	0.03	2.53	0.04
11.50%	-	-	0.17	-	1.19	0.02	1.36	0.02
Total	0.47	0.01	2.89	0.04	5.05	0.09	8.41	0.14

As at 31.03.2013 (In Mln.)

Rate of Interest	2016-17		2015-16		2014-15		Total	
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD
9.00%	-	-	-	-	0.46	0.01	0.46	0.01
10.25%	-	-	-	-	0.15	-	0.15	-
10.50%	-	-	0.02	-	0.24	-	0.26	-
10.75%	0.44	0.01	0.39	0.01	0.35	0.01	1.18	0.03
11.00%	1.02	0.02	1.35	0.02	1.20	0.02	3.57	0.06
11.25%	0.43	0.01	1.61	0.03	1.44	0.03	3.48	0.07
11.50%	0.02	-	1.14	0.02	1.72	0.03	2.88	0.05
Total	1.91	0.04	4.51	0.08	5.56	0.10	11.98	0.22

5 Other Long Term Liabilities

Other long term liabilities *	2.76	0.05	38.40	0.71
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* Includes rental advance(s) and unearned revenue(s)

Ramco Systems Limited, Global Consolidated (Under AS-21)

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)	As at 31.03.2013 (Rs. Mln.)	As at 31.03.2013 (USD Mln.)
6 Long Term Provisions				
Provision for gratuity	16.60	0.28	33.27	0.62
Provision for leave encashment	89.56	1.51	115.18	2.13
	<u>106.16</u>	<u>1.79</u>	<u>148.45</u>	<u>2.75</u>
7 Short Term Borrowings				
Loans repayable on demand from Banks, secured	95.00	1.60	85.00	1.57
Loan from Banks, unsecured	1,300.00	21.90	2,530.00	46.87
Loan from others, unsecured	430.00	7.25	-	-
Loans repayable on demand from Banks, unsecured	-	-	100.00	1.85
Loan repayable on demand from related parties, unsecured	-	-	137.50	2.55
	<u>1,825.00</u>	<u>30.75</u>	<u>2,852.50</u>	<u>52.84</u>
7.1 Loans repayable on Demand, from Banks, secured consists of:				
(a) Rs.10.00 Mln. USD 0.16 Mln. (previous year Rs.10 Mln. USD 0.19 Mln) secured by a pari-passu first charge on current assets including stocks and book debts and fixed assets of the Company except assets given as exclusive charge and assets acquired on hire purchase or lease and supported by a Corporate Guarantee from Ramco Industries Limited and				
(b) Rs.85.00 Mln. USD 1.43 Mln. (previous year Rs.75.00 Mln. USD 1.38 Mln.) secured by a pari-passu first charge on the current assets including stocks and book debts and supported by a Corporate Guarantee from Ramco Industries Limited.				
Loans from Banks, Unsecured , consists of :				
(a) Rs.1,000.00 Mln. USD 16.85 Mln. (previous year Rs.2,230.00 Mln. USD 41.31 Mln.), supported by Corporate Guarantee from The Ramco Cements Limited and				
(b) Rs.300.00 Mln. USD 5.05 Mln. (previous year Rs.300.00 Mln. USD 5.56 Mln.), supported by Corporate Guarantee from Ramco Industries Limited				
Loans from others, Unsecured , consists of :				
(a) Rs.430.00 Mln. USD 7.25 Mln. (previous year Nil), supported by Corporate Guarantee from The Ramco Cements Limited				
Loans repayable on demand from Banks, unsecured, consists of:				
(a) Nil (previous year Rs.100.00 Mln. USD 1.85 Mln.) supported by corporate guarantee from The Ramco Cements Limited.				
Loans repayable on demand from related parties, unsecured , consists of:				
(a) Nil (previous year Rs.137.50 Mln. USD 2.55 Mln.) from The Ramco Cements Limited.				
8 Trade Payables				
Trade payables	224.04	3.77	214.90	3.99
9 Other Current Liabilities				
Unearned revenue	280.20	4.72	167.42	3.10
Hire purchase loans, secured #	6.49	0.11	5.75	0.10
Interest accrued but not due	1.51	0.03	0.44	0.02
Statutory dues payable	54.38	0.92	35.15	0.65
Expenses payable	161.68	2.71	137.87	2.54
Others *	25.83	0.44	34.83	0.65
	<u>530.09</u>	<u>8.93</u>	<u>381.46</u>	<u>7.06</u>
# Secured by Hypothecation of assets (vehicles) procured under the hire purchase scheme. Includes loan from Banks Rs.0.07 Mln. (previous year Rs.0.20 Mln.) and others Rs.6.42 Mln. USD 0.11 Mln. (previous year Rs.5.55 Mln. USD 0.10 Mln.).				
* Includes advance collected from customers and payable to vendors for capital payables				
10 Short Term Provisions				
Provision for superannuation, leave encashment	3.53	0.06	2.52	0.05
Provision for taxation	7.88	0.13	0.14	-
	<u>11.41</u>	<u>0.19</u>	<u>2.66</u>	<u>0.05</u>

11 Fixed Assets

(In Mln.)

Asset Description	Gross Block						Depreciation Block						Net Block														
	As at 01.04.2013		Additions		Translation Reserve Adjustments		Withdrawals		As at 31.03.2014		Up to 01.04.2013		Additions		Translation Reserve Adjustments		Withdrawals		Up to 31.03.2014		As at 01.04.2013		As at 31.03.2014				
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	
TANGIBLE ASSETS																											
Building	3.12	0.06	-	-	(0.01)	-	-	3.12	0.05	1.56	0.03	0.10	-	-	-	-	-	-	-	1.66	0.03	1.56	0.03	1.46	0.02		
Plant & Machinery																											
-EDP	455.60	8.44	24.62	0.41	13.89	(0.53)	34.15	0.58	459.96	7.74	366.47	6.81	33.39	0.57	13.27	(0.39)	33.46	0.56	379.67	6.43	89.13	1.63	80.29	1.31			
-Others	10.81	0.20	-	-	1.08	-	-	-	11.89	0.20	10.61	0.19	-	-	1.06	-	-	-	-	11.67	0.19	0.20	0.01	0.22	0.01		
Furniture	72.47	1.35	2.18	0.04	5.19	(0.03)	47.18	0.79	32.66	0.57	63.65	1.18	2.31	0.04	5.22	(0.01)	45.52	0.77	25.66	0.44	8.82	0.17	7.00	0.13			
Office Equipments	16.61	0.31	1.67	0.03	1.22	(0.01)	1.38	0.02	18.12	0.31	15.32	0.29	0.53	0.01	1.14	(0.01)	1.41	0.02	15.58	0.27	1.29	0.02	2.54	0.04			
Electrical Items	71.36	1.33	7.63	0.13	-	(0.12)	30.21	0.51	48.78	0.83	25.95	0.47	3.44	0.06	-	(0.05)	20.33	0.34	9.06	0.14	45.41	0.86	39.72	0.69			
Vehicles	25.46	0.49	4.38	0.07	-	(0.04)	1.88	0.03	27.96	0.49	3.40	0.08	2.53	0.04	0.01	(0.02)	0.28	-	5.66	0.10	22.06	0.41	22.30	0.39			
Sub-Total	655.43	12.18	40.48	0.68	21.38	(0.74)	114.80	1.93	602.49	10.19	486.96	9.05	42.30	0.72	20.70	(0.48)	101.00	1.69	448.96	7.60	168.47	3.12	153.53	2.59			
Previous year	596.10	11.77	61.84	1.14	8.57	(0.55)	11.08	0.19	655.43	12.17	432.03	8.54	50.55	0.93	8.16	(0.35)	3.78	0.07	486.96	9.05	164.07	3.23	168.47	3.12			
INTANGIBLE ASSETS																											
Technology Platform	894.79	16.57	142.07	2.39	-	(1.50)	-	-	1,036.86	17.46	396.17	7.33	79.82	1.33	-	(0.65)	-	-	475.99	8.01	498.62	9.24	560.87	9.45			
Product Software	2,248.74	41.85	476.06	8.02	-	(3.77)	-	-	2,724.80	45.90	785.40	14.54	224.87	3.75	-	(1.28)	-	-	1,010.27	17.01	1,463.34	27.11	1,714.53	28.89			
Patents	11.02	0.20	0.60	0.01	-	(0.02)	-	-	11.62	0.19	2.90	0.05	1.13	0.02	-	-	-	-	4.03	0.07	8.12	0.15	7.59	0.12			
Computer Software	396.77	7.35	13.84	0.23	3.48	(0.61)	10.40	0.18	403.69	6.79	289.98	5.37	28.45	0.46	3.38	(0.41)	10.40	0.18	311.41	5.24	106.79	1.96	92.28	1.55			
Sub-Total	3,551.32	65.77	632.57	10.65	3.48	(5.90)	10.40	0.18	4,176.97	70.34	1,474.45	27.29	334.27	5.56	3.38	(2.34)	10.40	0.18	1,801.70	30.33	2,076.86	38.48	2,375.27	40.02			
Previous year	2,856.80	56.31	692.96	12.85	1.56	(3.39)	-	-	3,551.32	65.77	1,193.05	23.50	279.99	5.22	1.43	(1.42)	-	-	1,474.47	27.30	1,663.75	32.81	2,076.86	38.48			
Goodwill on consolidation																											
Goodwill	994.51	18.42	-	-	-	(1.66)	-	-	994.51	16.76	-	-	-	-	-	-	-	-	-	-	-	994.51	18.42	994.51	16.76		
Previous year	994.51	19.61	-	-	-	(1.19)	-	-	994.51	18.42	-	-	-	-	-	-	-	-	-	-	-	994.51	19.61	994.51	18.42		
Grand-Total	5,201.26	96.37	673.05	11.33	24.86	(8.30)	125.20	2.11	5,773.97	97.29	1,961.41	36.34	376.57	6.28	24.08	(2.82)	111.40	1.87	2,250.66	37.93	3,239.84	60.02	3,523.31	59.37			
Previous year	4,447.41	87.69	754.80	13.99	10.13	(5.13)	11.08	0.19	5,201.26	96.36	1,625.00	32.04	330.54	6.15	9.59	(1.77)	3.78	0.07	1,961.43	36.35	2,822.33	55.65	3,239.84	60.02			

Notes:

- Gross block under vehicles includes assets purchased under Hire Purchase Rs.27.21 Min. USD 0.46 Min. (previous year Rs.24.72 Min. USD 0.48 Min.), Net block as on 31st March 2014 Rs.21.95 Min. USD 0.37 Min. (previous year Rs.21.63 Min. USD 0.40 Min.).
- Gross block under plant & machinery-EDP includes assets purchased under Finance Lease Rs.25.29 Min. USD 0.43 Min. (previous year Rs.25.29 Min. USD 0.49 Min.), Net block as on 31st March 2014 Rs.3.20 Min. USD 0.05 Min. (previous year Rs.7.39 Min. USD 0.14 Min.).
- Additions to the gross block in respect of technology platform include capitalisation of interest amounting to Rs.62.05 Min. USD 1.05 Min. (previous year Rs.53.78 Min. USD 1.00 Min.) and product software include Rs.207.94 Min. USD 3.50 Min. (previous year Rs.172.32 Min. USD 3.19 Min.).

Ramco Systems Limited, Global Consolidated (Under AS-21)

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)	As at 31.03.2013 (Rs. Mln.)	As at 31.03.2013 (USD Mln.)
12 Non-current Investments				
Trade, unquoted, long term				
Investments in Equity instruments - 300 shares (previous year 300) of face value of ZAR 1 each in Citiworks (Pty) Limited, South Africa	3.75	0.06	2.68	0.05
13 Long Term Loans and Advances				
Unsecured, considered good				
Security deposits	19.21	0.33	38.84	0.72
Advance Tax and Tax deducted at source	198.37	3.34	110.33	2.04
	<u>217.58</u>	<u>3.67</u>	<u>149.17</u>	<u>2.76</u>
14 Other Non-current Assets				
Trade receivables, unsecured considered good	27.31	0.46	-	-
Trade receivables, unsecured, considered doubtful	147.79	2.49	186.38	3.45
Provision for doubtful trade receivables	(147.79)	(2.49)	(186.38)	(3.45)
Unbilled revenue	29.23	0.49	-	-
	<u>56.54</u>	<u>0.95</u>	<u>-</u>	<u>-</u>
15 Inventories				
Stock-in-trade *	0.14	-	0.14	0.01
* Represents hardware and software materials held for resale, valued at cost or net realisable value whichever is lower and as certified by management				
16 Trade Receivables				
Unsecured, considered good				
a) Over six months from the date they were due for payment				
Trade receivables	252.99	4.26	319.86	5.92
b) Others				
Trade receivables	780.27	13.15	449.48	8.33
	<u>1,033.26</u>	<u>17.41</u>	<u>769.34</u>	<u>14.25</u>
17 Cash and Bank Balances				
Cash and cash equivalents				
Cash on hand	0.32	0.01	0.26	0.01
Balance with Banks	107.94	1.82	129.63	2.40
Other bank balances				
Term deposits held as margin money against bank guarantees	0.62	0.01	0.58	0.01
Term deposits others	3.29	0.05	2.24	0.04
Balance in Rights Issue / ESOP/ESOS accounts	4.23	0.07	0.17	-
	<u>116.40</u>	<u>1.96</u>	<u>132.88</u>	<u>2.46</u>
18 Short Term Loans and Advances				
Unsecured, considered good				
Loans and advances others *	146.41	2.47	105.39	1.95
* Includes customer security deposits, vendor advances, employee advances, statutory advances and prepaid expenses				

	As at 31.03.2014 (Rs. Min.)	As at 31.03.2014 (USD Min.)	As at 31.03.2013 (Rs. Min.)	As at 31.03.2013 (USD Min.)
19 Other Current Assets				
Unbilled Revenue	509.54	8.58	534.98	9.91
Software work in progress	-	-	2.74	0.05
	<u>509.54</u>	<u>8.58</u>	<u>537.72</u>	<u>9.96</u>
	Year ended 31.03.2014 (Rs. Min.)	Year ended 31.03.2014 (USD Min.)	Year ended 31.03.2013 (Rs. Min.)	Year ended 31.03.2013 (USD Min.)
20 Revenue from operations				
Software revenue (License & Services)	2,606.64	43.45	2,301.63	42.83
Value added resale software and hardware materials	24.01	0.40	91.09	1.70
	<u>2,630.65</u>	<u>43.85</u>	<u>2,392.72</u>	<u>44.53</u>
21 Other Income				
Interest income	0.64	0.01	0.61	0.01
Profit on sale of assets	0.19	0.00	0.45	0.01
Recovery of expenses from customers	50.99	0.85	29.54	0.55
Rent income	44.03	0.73	46.91	0.87
Other Income	0.29	0.01	3.69	0.07
	<u>96.14</u>	<u>1.60</u>	<u>81.20</u>	<u>1.51</u>
22 Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade				
Opening stock	0.14	-	16.93	0.33
Closing stock	0.14	-	0.14	-
	<u>-</u>	<u>-</u>	<u>16.79</u>	<u>0.33</u>
23 Employee Benefit Expense				
Salaries, wages, bonus etc.,	1,249.30	20.82	1,295.19	24.10
Provident fund contribution	47.99	0.79	50.88	0.95
Gratuity and other retireals	9.98	0.17	66.46	1.24
Staff welfare	45.96	0.77	9.26	0.17
	<u>1,353.23</u>	<u>22.55</u>	<u>1,421.79</u>	<u>26.46</u>
24 Finance Costs				
Interest on loans	110.65	1.85	58.09	1.08
Other finance costs	4.27	0.07	2.44	0.05
	<u>114.92</u>	<u>1.92</u>	<u>60.53</u>	<u>1.13</u>

Ramco Systems Limited, Global Consolidated (Under AS-21)

	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)	Year ended 31.03.2013 (Rs. Mln.)	Year ended 31.03.2013 (USD Mln.)
25 Other Expenses				
Advertisement & sales promotion	126.31	2.11	75.89	1.41
Bank charges	4.19	0.07	2.73	0.05
Bad and doubtful debts & advances	104.91	1.75	59.12	1.10
Consultancy charges	36.78	0.61	48.90	0.91
Foreign exchange fluctuation, net	(49.23)	(0.82)	(3.65)	(0.07)
Insurance	8.18	0.14	9.80	0.18
Loss on sale of fixed assets	11.58	0.19	5.14	0.10
Office maintenance	21.63	0.36	21.61	0.40
Outsourcing costs	97.31	1.62	123.84	2.30
Provision for doubtful debts	2.41	0.04	23.53	0.44
Power & fuel	14.13	0.24	18.35	0.34
Printing & stationery	3.28	0.05	3.18	0.06
Postage, telephone and communication	49.64	0.83	53.39	0.99
Rent	218.79	3.65	184.98	3.44
Repairs - Buildings	2.81	0.05	3.91	0.07
Repairs - Plant & Machinery	12.94	0.22	8.66	0.16
Repairs - Others	4.98	0.08	8.60	0.16
Rates & taxes	33.29	0.55	23.48	0.44
Sales commission and other selling expenses	73.54	1.23	48.29	0.90
Software subscription and maintenance	7.94	0.13	26.55	0.49
Travel & conveyance	288.38	4.81	220.94	4.11
Unfructified patent expenses	0.86	0.01	9.09	0.17
Other miscellaneous expenses	13.07	0.21	15.11	0.30
	1,087.72	18.13	991.44	18.45

	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)	As at 31.03.2013 (Rs. Mln.)	As at 31.03.2013 (USD Mln.)
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26 Contingent Liabilities and Commitments

26.1 Contingent Liabilities:

(a) Bank Guarantees	31.04	0.52	33.52	0.62
(b) Corporate Guarantee issued in favour of a customer of the Malaysian subsidiary, Ramco Systems Sdn., Bhd.	29.68	0.50	-	-
(c) Disputed Income Tax/Wealth Tax /Sales Tax demands – pending before the first appellate authority	22.55	0.38	12.34	0.23
(d) In respect of disputed Sales Tax demand amounting to Rs.1.91 Mln. USD 0.03 Mln. (Previous year Rs. 1.91 Mln. USD 0.04 Mln), appeal is pending with the first Appellate Authority. Against this, Rs.0.95 Mln. USD 0.02 Mln. has been deposited and for the balance, Bank Guarantee has been furnished.				

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 this are not quantifiable and hence not provided for.

26.2 Commitments:

(a) Estimated amount of contracts remaining to be executed on ZZZZZ account	24.57	0.41	19.75	0.37
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27 Taxation**Current Tax****Ramco Systems Limited, India**

No provision for Tax for the Company (including its Branches at United Kingdom and Germany) has been made in view of absence of taxable profits during current and previous year.

No provision for taxation has been made by subsidiaries, except Ramco Systems Sdn., Bhd., Malaysia, Ramco Systems Corporation, USA and Ramco Systems Canada Inc., Canada in the absence of taxable profits.

Deferred Tax**Ramco Systems Limited, India**

The Company has net deferred tax assets as at March 31, 2014 and as on March 31, 2013, which arise mainly on account of carry forward losses. However, the Company has not taken credit for such net deferred tax assets.

In the case of subsidiaries, deferred tax asset / liability to the extent provided in their accounts, has been considered, except in case of RSL Enterprise Solutions (Pty) Limited, South Africa, where in net deferred tax assets arise due to accumulated losses, for which no credit has been considered for.

28 Minority Interest & Equity in Earnings

The share of Minority Interest in the subsidiaries of Ramco Systems Corporation, USA, and in Ramco Systems Canada Inc., Canada has been shown separately in the Balance Sheet.

Proportionate equity in the earnings of the Affiliate Citiworks (Pty) Limited, South Africa for the year Mar 2013-Feb 2014 is clubbed with the value of investment.

29 Segment Revenue

The company currently operates only in one segment, viz., Software Solutions & Services and hence the segment reporting as required by AS-17, issued by The Institute Chartered Accountants of India does not apply.

30 Related Party Transactions

As per Accounting Standard (AS-18) issued by The Institute of Chartered Accountants of India, the Company's related parties are given below:

(a) Key Management Personnel and Relatives

1. Shri P R Ramasubrahmaneya Rajha
2. Shri P R Venketrama Raja

(b) Enterprises over which the above persons exercise significant influence and with which the Company has transactions during the year [Group]

- | | |
|---|------------------------------------|
| 1. Rajapalayam Mills Limited | 7. Thanjavur Spinning Mill Limited |
| 2. The Ramco Cements Limited | 8. Rajapalayam Spinners Limited |
| 3. Ramco Industries Limited | 9. Sri Harini Textiles Limited |
| 4. The Ramaraju Surgical Cotton Mills Limited | 10. Swarna Bhoomi Estate |
| 5. Sri Vishnu Shankar Mills Limited | 11. Thanga Vilas Estate |
| 6. Sandhya Spinning Mill Limited | |

Ramco Systems Limited, Global Consolidated (Under AS-21)

The Company's transactions with the above Related Parties are given below:

(In Mln.)

Particulars	Transactions during 2013-14		Outstanding as at 31.03.2014		Transactions during 2012-13		Outstanding as at 31.03.2013	
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD
Income from Sale of goods & services								
The Ramco Cements Limited	161.06	2.71	5.51	0.09	567.12	10.55	70.66	1.31
Ramco Industries Limited	7.22	0.12	0.40	0.01	8.85	0.16	0.09	-
Rajapalayam Mills Limited	1.06	0.02	0.46	0.01	1.28	0.02	0.04	-
Sri Vishnu Shankar Mills Limited	0.60	0.01	0.15	-	0.65	0.01	0.01	-
Sandhya Spinning Mill Limited	0.42	0.01	0.09	-	0.55	0.01	-	-
Thanjavur Spinning Mill Limited	0.40	0.01	0.31	0.01	0.31	0.01	-	-
Rajapalayam Spinners Limited	0.07	-	-	-	0.14	-	-	-
Sri Harini Textiles Limited	0.09	-	0.02	-	0.09	-	-	-
The Ramaraju Surgical Cotton Mills Limited	0.18	-	0.04	-	0.81	0.02	0.02	-
Swarna Boomi Estate	0.36	0.01	-	-	0.10	-	-	-
Thanga Vilas Estate	0.16	-	-	-	0.13	-	-	-
Cost of services availed								
Ramco Industries Limited	0.10	-	-	-	-	-	-	-
Loans availed								
The Ramco Cements Limited	2,052.50	34.21	-	-	1,620.00	30.15	137.50	2.55
Interest - Expense								
The Ramco Cements Limited	25.12	0.42	-	-	32.64	0.61	-	-
Rent - Expense								
The Ramco Cements Limited	79.69	1.33	-	-	79.69	1.48	-	-

Notes: (a) Details of corporate guarantees given by the Group are given in Note Nos. 4 and 7.1 above.

(b) Details of transactions with Key Management Personnel and Relatives:

(i) Remuneration paid to Shri P.R. Venketrama Raja is Rs.1.17 Mln. USD 0.02 Mln. (Previous year Rs.1.17 Mln. USD 0.03 Mln.).

(ii) Sitting fee paid to Shri P.R. Ramasubrahmaneya Rajha Rs.0.03 Mln. (Previous year Rs.0.02 Mln.).

(c) The above figures include taxes as applicable.

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

32 For translating local currency of subsidiaries into Indian Rupees the exchange rate applied is as per serial number III of the accounting policies given in Note No. 1. The figures in the US Dollars given alongside the Indian Rupees are provided by way of additional information and are obtained by converting the assets and liabilities at the exchange rates in effect at the balance sheet date, except share capital and share premium which are converted at the exchange rate prevailing on the date of transaction and the revenues, costs and expenses at the average exchange rate prevailing during the reporting period. The resultant gains or losses are taken to the translation reserve.

33 The figures in Rupees and USD have been rounded off to the million in both current and previous year.

As per our report annexed
For CNGSN & Associates
Chartered Accountants
Registration No.004915S
C N GANGADARAN
Partner
Membership No.:11205
Place : Chennai
Date : 22nd May 2014

P R RAMASUBRAHMANEYA RAJHA
Chairman

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

G VENKATRAM
Company Secretary

S S RAMACHANDRA RAJA
N K SHRIKANTAN RAJA
M M VENKATACHALAM
A V DHARMAKRISHNAN
R S AGARWAL
Directors

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs (MCA) had issued a General Circular No. 2/ 2011 dated 8th February 2011, granting exemption to all companies from the provisions of Section 212, subject to compliance with conditions mentioned in the said Circular. Pursuant to that the following informations are provided:

(Rs. Mln.)

Name of the Subsidiary	Year	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit After Tax	Proposed dividend	Exchange Rate used (Rs. per unit of foreign currency)	
												B/S	P&L
Ramco Systems Corporation, USA	2013-14	105.74	(44.90)	276.49	276.49	0.43	694.35	38.88	0.52	38.36	-	59.35	60.00
	2012-13	105.74	(85.57)	175.36	175.36	0.43	400.09	(78.05)	-	(78.05)	-	53.98	53.74
Ramco Systems Ltd., Switzerland	2013-14	29.33	69.31	122.55	122.55	-	89.07	23.99	-	23.99	-	66.50	65.02
	2012-13	29.33	33.06	84.45	84.45	-	96.55	14.21	-	14.21	-	56.38	57.21
Ramco Systems Sdn. Bhd, Malaysia	2013-14	18.22	26.34	196.65	196.65	-	199.70	42.27	7.61	34.66	-	18.43	18.93
	2012-13	18.22	(5.66)	29.89	29.89	-	39.73	(17.88)	-	(17.88)	-	17.76	17.59
Ramco Systems Pte. Ltd., Singapore	2013-14	18.62	(169.19)	43.87	43.87	-	147.53	(93.76)	-	(93.76)	-	46.92	47.48
	2012-13	18.62	(73.45)	51.65	51.65	-	133.78	(55.99)	-	(55.99)	-	43.27	43.08
RSL Enterprise Solutions (Pty) Ltd., South Africa	2013-14	-	(45.33)	101.13	101.13	-	265.90	(24.19)	-	(24.19)	-	5.48	5.83
	2012-13	-	(22.21)	140.70	140.70	-	240.13	(68.44)	-	(68.44)	-	5.71	6.27
Ramco Systems Canada Inc., Canada	2013-14	0.43	5.14	20.10	20.10	-	2.69	0.73	0.21	0.53	-	53.47	56.79
	2012-13	0.43	4.15	17.77	17.77	-	15.15	(1.94)	(0.53)	(1.41)	-	52.92	53.43
Ramco Systems FZLLC, Dubai	2013-14	0.62	29.51	159.94	159.94	-	205.63	21.38	-	21.38	-	15.84	16.01
	2012-13	0.62	6.34	64.55	64.55	-	80.04	2.49	-	2.49	-	14.41	14.34
RSL Software Company Ltd., Sudan	2013-14	2.08	(4.61)	12.59	12.59	-	2.32	(5.22)	-	(5.22)	-	10.45	11.90
	2012-13	2.08	(0.65)	5.14	5.14	-	13.82	1.60	0.16	1.44	-	9.62	11.04
Ramco Systems Australia Pty Ltd, Australia	2013-14	14.66	(56.31)	3.76	3.76	-	3.86	(40.61)	-	(40.61)	-	54.60	55.69
	2012-13	14.66	(16.66)	2.57	2.57	-	0.36	(15.79)	-	(15.79)	-	56.00	55.24

P R RAMASUBRAHMANEYA RAJHA
Chairman

S S RAMACHANDRA RAJA
Director

P R VENKETRAMA RAJA
Vice Chairman and Managing Director

N K SHRIKANTAN RAJA
Director

G VENKATRAM
Company Secretary

M M VENKATACHALAM
Director

A V DHARMAKRISHNAN
Director

R S AGARWAL
Director

Place: Chennai
Date : 22nd May 2014

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Disclaimer: Information subject to change. Exact offerings, features, benefits, etc. may vary in Standard and Enterprise editions and for customers based on their individual requirements.

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R. THIRUMALMARUGAN
M.Com., FCA

G. CHELLA KRISHNA
M.Com., FCA, PGPM

CNGSN & ASSOCIATES

CHARTERED ACCOUNTANTS

“Agastyar Manor”

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B. RAMAKRISHNAN
B.Com., FCA, Grad. CWA

V. VIVEK ANAND
B.Com., FCA

Auditor's Report on Annual Financial Results pursuant to the Clause 41 of the Listing Agreement

**The Board of Directors of
Ramco Systems Limited,
Chennai - 600 113**

We have audited the accompanying statement of annual Financial Results ('statement') of Ramco Systems Limited ('the Company') for the year ended 31st March, 2014, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the Quarter ended 31st March, 2014 and the corresponding Quarter ended in the previous year, as reported in these Financial Results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third Quarter of the relevant financial year. Also, the figures upto the end of the third Quarter had only been reviewed and not subjected to audit.

The Annual Financial Results have been prepared by the Company on the basis of the Annual Financial Statements and reviewed Quarterly Financial Results upto the end of third Quarter, which are the responsibility of the company's management. Our responsibility is to express an opinion on the annual Financial Results based on our audit of the annual Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and by other accounting principles generally accepted in India and in Compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these Financial Results:

Dr. C.N. GANGADARAN
B.Com., FCA, MBIM (Lond.), Ph.d.

S. NEELAKANTAN
B.Com., FCA

R. THIRUMALMARUGAN
M.Com., FCA

G. CHELLA KRISHNA
M.Com., FCA, PGPM

CNGSN & ASSOCIATES

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B.Com., FCA

B. RAMAKRISHNAN
B.Com., FCA. Grad. CWA

V. VIVEK ANAND
B.Com., FCA

- (i) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net loss and other financial information for the year ended 31st March, 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For CNGSN & ASSOCIATES,
Chartered Accountants,
Registration No. 004915S



G CHELLA KRISHNA,
Partner

Place of signature: Chennai

Date: 22nd May, 2014

Form A- Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Ramco Systems Limited
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by- <input checked="" type="checkbox"/> Managing Director and CEO <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> Auditor of the company <input checked="" type="checkbox"/> Audit Committee Chairman	

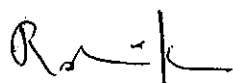
For **Ramco Systems Limited**



P R Venketrama Raja
Vice Chairman & Managing Director



Virender Aggarwal
Chief Executive Officer



R Ravi Kula Chandran
Chief Financial Officer



M M Venkatachalam
Chairman of Audit Committee

Place of signature: Chennai

Date: 22nd May, 2014

For **CNGSN & ASSOCIATES**
Chartered Accountants
Registration No.004915S



G CHELLA KRISHNA
Partner
Membership No.210474