

**FORM A - Format of covering letter of the annual audit report to be filed with the  
Stock Exchange**

1.	Name of the Company	Ramco Systems Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by- ✓ CEO/Managing Director and CEO ✓ CFO ✓ Auditor of the Company ✓ 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 : 29<sup>th</sup> May 2015

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





**C N GANGADARAN**  
Partner  
Membership No.:11205

ramco



# CHRYsalis: REIMAGINE EVERYTHING

Ramco Systems Limited ■ Annual Report 2014-15



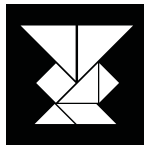
## Tangrams

Seven Boards of Skill.



To develop...  
Logic... Thinking... Dexterity...

Form a white figure.



Form a black counterpart.



They both use 7 pieces  
Yet - both look different

Amazing !

Last year we too played...  
With the 7 pieces in our mind.

We re-arranged...

We re-imagined...

We re-engineered...

Used our problem solving and  
design skills to create products  
that will inspire you to say...

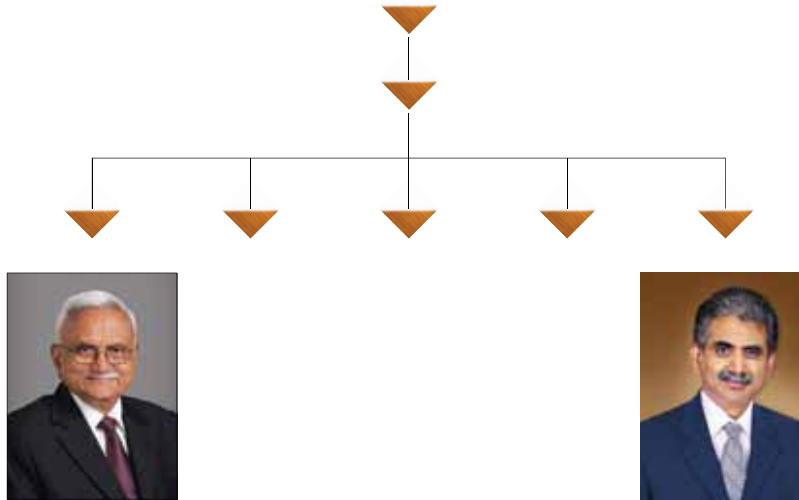
AMAZING !



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## BOARD OF DIRECTORS



**Shri P R Ramasubrahmaneya Rajha**  
Chairman

**Shri P R Venketrama Raja**  
Vice Chairman & Managing Director

- **Shri M M Venkatachalam**
- **Shri V Jagadisan**
- **Shri A V Dharmakrishnan**
- **Shri R S Agarwal**
- **Smt. Soundara Kumar**

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

**Bankers:** ICICI Bank, ING Vysya Bank, Kotak Mahindra Bank Limited, IDBI Bank Limited, AXIS Bank Limited, Deutsche Bank AG, Karur Vysya Bank, Tata Capital Financial Services Limited, Aditya Birla Finance Limited

**Registered Office:** No. 47, P. S. K. Nagar, Rajapalayam - 626 108, CIN: L72300TN1997PLC037550

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

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

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

[www.ramco.com](http://www.ramco.com)

Dear Shareholders/Members,

I am pleased to report a year of strong performance and profitable growth. On a consolidated basis, revenues have grown 36% to \$59.47 million driven by robust international performance. Our efforts to focus on Cloud, Mobile and Analytics across three core product lines – ERP, Aviation, HCM - have started to pay off, with your company turning profitable for the financial year ended March 31, 2015.



**'Project Chrysalis' heralds a new dawn of user experience and its essence is simplicity. The ability to simplify means you have to eliminate the unnecessary so that the necessary may speak. It's been part of our metamorphosis from 2014 to 2015.**



In the journey of innovation, 'disruption' is a natural process and as a company, we have always strived to take advantage of it. Our journey from client-server to web-based ERP has been a challenging but rewarding one. With the world of technology changing at a rapid pace, only those who adapt and are nimble can prevail.

Having the right 'culture' where you are open and responsive to market changes is key to success. We are in a knowledge economy where 'people' and not 'resources' decide where you reach. With start-ups mushrooming across the globe, the climate is finally turning conducive for product firms. This is a healthy start, and we will see many 'disruptions' across sectors in the coming years. Your company is investing in building a strong culture where we are able to address disruptions ahead of time.

On the operations front, after realigning businesses into three Strategic Business Units (SBUs) which take complete responsibility of P&L within their Line of Business (LoB), the thrust was to ensure consolidation of operations within each SBU to make them self-sufficient and completely accountable. This has helped build healthy competition within SBUs enabling a thrust on faster growth and thirst of helping company to grow.

With the geo-political climate getting the arc lights on India, there is a lot of interest in companies building IP and working on new technologies. We are glad to say, your company is a true testament of a 'Made in India' software product which has been recognized and well received, globally.

The strategy to position HCM as an independent product line and focus on building features to address the HR market has paid off very well. Ramco HCM grew 113% YoY clocking in one new customer a week, on an average. Built-in analytics, insightful dashboards, multi-country and currency payroll functions and the ability to integrate HCM into standard ERP product is helping us create a dent in the market. In the coming year, the product is getting ready for its launch in matured and established markets such as the US. This will be a key milestone to cross for us on the HCM front.



While the HR market is seeing a natural refresh cycle, ERP is yet to see widespread refresh and a move to the Cloud. This is primarily due to heavy sunk cost and dependence that companies have on their existing legacy applications. While many are looking to de-risk and leverage new-age systems, the need is moving towards applications which can deliver tangible performance improvements and operational efficiency. It is here that our investment in building an agent based in-memory engine that makes the application more adaptive and intuitive is starting to pay off. Market analysts predict this technology to be a game changer and gain greater demand in the coming years. We are giving a lot of focus on ease of use and are working on various initiatives that will reduce clutter and make the application more cognitive and decision-oriented rather than a mere transaction system.

Our aviation story continues to be in the limelight with latest innovations being rolled out at regular intervals. Ramco Aviation continues to be our 'best find' as very few players are able to address the unique and complex needs of the industry. We continue to expand into multiple allied segments within Aerospace and Defense to further enhance our portfolio and maintain our leadership status.

In a nutshell, we have had a good year on all fronts and hope to better this in the years ahead. This would not have been possible without the support of our stakeholders – shareholders, clients, partners and employees. Your confidence in the company is indeed a great motivation to all of us, as we progress on the path to strengthening our position across all three product lines, in markets worldwide.

Thank you,

A handwritten signature in black ink, appearing to read "P R Venketrama Raja".

P R Venketrama Raja  
Vice-Chairman & Managing Director



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# 's Desk

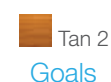


**Virender Aggarwal**  
CEO

Business Transformation.  
It's like a Tangram puzzle.  
Multiple solutions - with just seven tans.

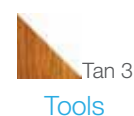


I picked up the 'tans' to choose and map  
Ramco's requirements.



Business Goals ► Realistic Plans ► Tangible Results

How did the tans work for me?  
They helped me get the employees to work as a team  
The tans said, " Find clear, engaging,  
exciting ways to involve stakeholders".  
Balance the limited resources - and people.  
Use the 'tans' to move the right people into the right positions.  
Build a culture of shared goals, attitudes and beliefs.  
And face issues head-on  
We set the bar - we raised the bar.



Process Tangram changed the shape of Ramco.  
Technology now integrates with any legacy software.  
Attitude has turned proactive and customer-centric.  
Culture has become flexible and contemporary.  
Products have become truly global.  
User Interfaces have changed shape dramatically.  
Chrysalis! HUB! Genie! QSS!  
Speed of implementation has turned phenomenal.  
Mobility is seen on new wearables.



Ramco has changed shape  
Ramco has been 'tangrammed'!

# Ramco Systems Limited, INDIA

## REPORT OF THE BOARD OF DIRECTORS

Your Board has pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

### 1. FINANCIAL RESULTS

The standalone and consolidated audited financial results for the year ended 31<sup>st</sup> March 2015 and 31<sup>st</sup> March 2014 are as follows:

Particulars	Standalone for the year ended 31 <sup>st</sup> March,		Consolidated for the year ended 31 <sup>st</sup> March,	
	2015	2014	2015	2014
	(in Rs. Mln.)		(in USD Mln.)	
Revenue from Operations	2,229.72	1,608.08	59.47	43.85
Other Income	17.94	66.71	0.79	1.60
<b>Total Revenue</b>	<b>2,247.66</b>	<b>1,674.79</b>	<b>60.26</b>	<b>45.45</b>
Expenditure				
- Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	0.05	-	-	-
- Purchase of Stock-in-trade	9.58	20.25	0.34	0.39
- Employee Benefits Expense	924.18	742.77	26.72	22.55
- Other Expenses	729.97	618.88	21.33	18.13
<b>Total Expenses</b>	<b>1,663.78</b>	<b>1,381.90</b>	<b>48.39</b>	<b>41.07</b>
<b>Profit / (Loss) Before Interest, Depreciation &amp; Amortisation, and Taxes</b>	<b>583.88</b>	<b>292.89</b>	<b>11.87</b>	<b>4.38</b>
Depreciation and Amortisation Expense	444.49	371.18	7.41	6.28
Finance Costs	120.07	114.46	1.98	1.92
<b>Profit / (Loss) Before Tax</b>	<b>19.32</b>	<b>(192.75)</b>	<b>2.48</b>	<b>(3.82)</b>
<b>Tax Expenses</b>				
- Current Tax	3.75	-	0.40	0.14
- Deferred Tax	-	-	-	-
<b>Profit / (Loss) After Tax and Before Minority Interest &amp; Equity in Earnings</b>	<b>15.57</b>	<b>(192.75)</b>	<b>2.08</b>	<b>(3.96)</b>
Minority Interest	-	-	(0.02)	(0.02)
Equity in Earnings / (Losses) of Affiliates	-	-	0.03	0.02
<b>Profit / (Loss) for the year</b>	<b>15.57</b>	<b>(192.75)</b>	<b>2.09</b>	<b>(3.96)</b>

### 2. BUSINESS OPERATIONS

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

# A TRANSFORMATIONAL YEAR

The year 2014-15 was indeed a transformational year at Ramco. Ramco continued to stay ahead of the curve by launching ERP on wearables and showcasing productivity improvements and business transformation using agent based technology. Hub design and large engagements like Norske Skog, Malaysian Airlines and Kerzner created a stir with their customer-centric approach.

[We have arrested the decline.](#)

[We have stabilized operations.](#)

[Now, we are accelerating the growth phase.](#)

Our revenues showed a healthy growth of 36% YoY. This has been possible because of the

steadfast focus of our three core offerings – HCM, Aviation and ERP which have continued to constantly innovate and stay relevant in a dynamically changing market environment. Our efforts to focus on innovation and culture have had a positive rub off with the market recognizing and rewarding the efforts being taken.

The year also marked Ramco being endorsed by a leading Global Technology Research Firm as a company with the capability to be disruptive.



**GROWTH 36% YoY**





# RE-IMAGINING

Ramco HCM & Global Payroll

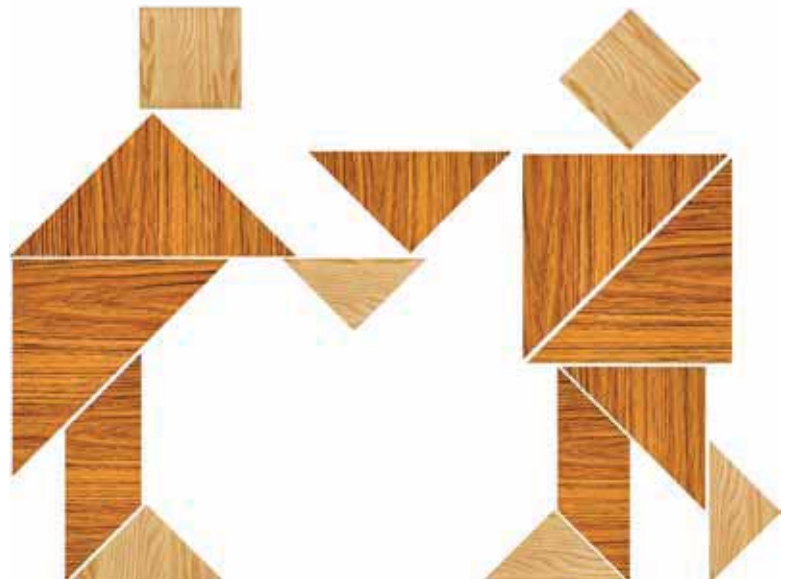


## REIMAGINING

# Ramco HCM & Global Payroll

The youngest product from our portfolio has become the fastest growth engine within Ramco. With 113% growth in revenues, Ramco HCM has been soaring high and gaining wide acceptance globally, with marquee names - like Dabur, Bureau Veritas, Kerzner International and the retail arm of India's top 3 business conglomerate among others - getting added to the portfolio.

With an integrated Global Payroll on Cloud for 35+ countries across Middle East, ASEAN and most parts of Africa, Ramco HCM is the preferred choice of global multinationals and conglomerates looking at managing their multi-country operations. With the launch of China payroll, Ramco's payroll capability now addresses over 70% of the world's working population. The HR software has been helping clients abide by local statutory needs of the country of operation as well as helping them leverage global best practices.



## RAMCO'S PAYROLL CAPABILITY NOW ADDRESSES

The product has seen many feature enhancements too in the last one year. From redefining 'Inclusive Computing' with SMS-based Employee Self Service (ESS) to adding 'messaging intelligence', a host of new features were added to make the life of a HR user simple.

**SMS-based ESS:** Designed and developed as part of Ramco's Mobility offerings, this new feature helps ESS users of Ramco HCM to apply leave, raise queries and perform transactions, all via a text message. This feature has been rolled out at a US Fortune 10 company for its India operations having 16000+ employees. Ramco ESS users will now be able to transact and raise standard inquiries without actually downloading the APP or connecting to the Internet.

**Performance Journal:** No longer is Performance Appraisal a yearly or half-yearly ritual that both employees and managers are reluctant to do. Ramco's Performance Journal is a comprehensive system that considers and fine tunes talent assessment on an ongoing

basis – providing organisations with valuable information about their talented staff, the company's strengths and weaknesses and how best to utilise these. In short, Performance Management becomes a process of continuous improvement, not a simple annual cycle.

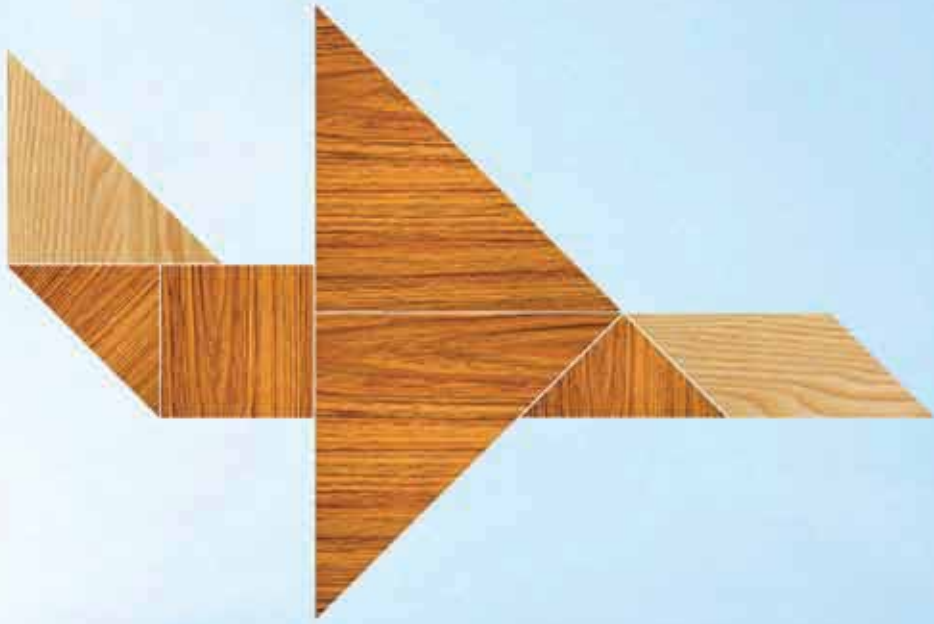
**Talent Tagging:** The right person for the wrong job... or is it the wrong person for the right job? HR managers have long struggled with fitting skills with tasks. Talent Tagging helps HR managers tag skill sets and inclinations with each employee. Large organizations with dispersed workforce can now identify the right employee with the desired skill set for a project from the existing talent pool at the click of a button.

**Messaging Intelligence:** In partnership with TrustSphere, Ramco added the Messaging Intelligence feature to boost team collaboration. HR leaders can now use advanced analytics to improve teamwork, facilitate mentoring and identify influencers who lead their organisations by studying patterns from email, voice and instant messenger traffic – without viewing the content of the messages.

## OVER 70% OF THE WORLD'S WORKING POPULATION







# RE-IMAGINING

Ramco Aviation Software



## REIMAGINING

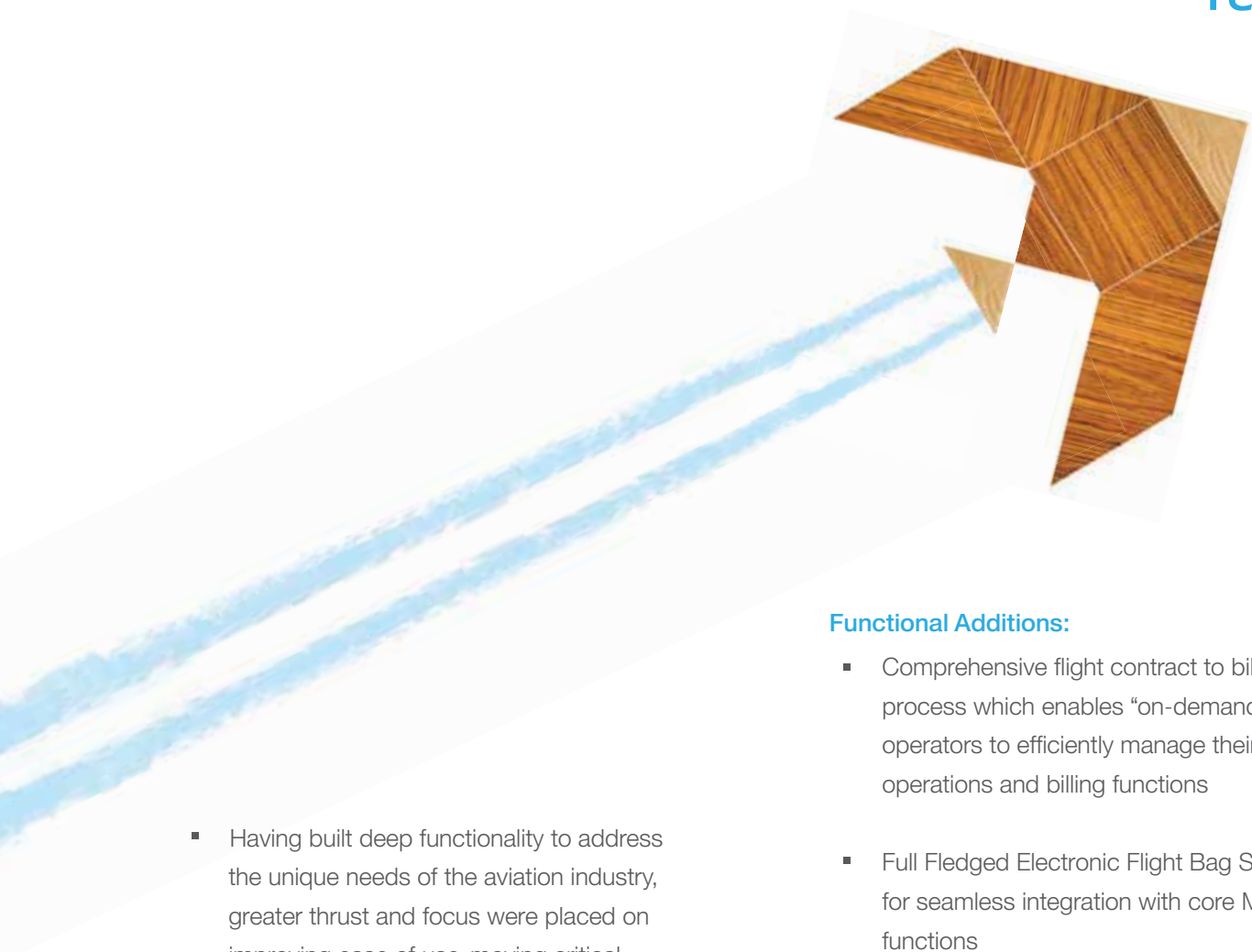
# Ramco Aviation Software

During the year, Ramco further consolidated its leadership position in Aviation M&E / MRO Solution Space. Ramco Aviation grew by 36% on Year on Year basis, covering every segment of the product portfolio. Having addressed Heli Operators, Airlines, MROs and CAMOs, our Aviation offering has expanded to address aviation-specific manufacturing companies too, making Ramco a comprehensive player across the broad spectrum in Aviation.

Some of the new customers added during the year were – Able Aerospace, Dynamic Aviation,

Southern Vietnam Helicopters, Falcon Aviation Services, Sundance Helicopters among others. Our leadership in Heli Operator segment got a seal of endorsement with the addition of Europe's leading helicopter operator choosing Ramco Aviation software for its large fleet of helicopters across multiple locations

**RAMCO AVIATION GREW BY 36% ON YEAR ON YEAR BASIS,**



- Having built deep functionality to address the unique needs of the aviation industry, greater thrust and focus were placed on improving ease of use, moving critical transactions to mobile platforms, offering HUB User Interfaces, all of which has resulted in significant efficiency improvement in critical activities
- Ramco's agent-based technology was leveraged to solve complex business problems such as Shift Planning for large Line Maintenance Operations, Inventory Forecast / Optimization and Hangar Capacity Planning

#### Functional Additions:

- Comprehensive flight contract to billing process which enables "on-demand" operators to efficiently manage their flight operations and billing functions
- Full Fledged Electronic Flight Bag Solution for seamless integration with core M&E functions
- We also introduced technological and process innovations with wearable devices / bar coding, offering Hands-free Computing and Straight- Through Processing, which enables significant reduction of Aircraft on Ground (AOG) time and improvement in Turn Around Time (TAT) of critical business functions

## COVERING EVERY SEGMENT OF THE PRODUCT PORTFOLIO

Ramco Systems Limited, INDIA



Manufacturing



Engineering, Procurement & Construction (EPC)



Logistics



Trading



Facility Management



Professional Services



# VIEW OF BUSINESS

ANYWHERE / ANYTIME

## RE-IMAGINING

Ramco ERP on Cloud



## REIMAGINING

# Ramco ERP on Cloud

Our flagship product has shown a healthy growth clocking nearly 1 new customer a week. With 50 new order wins in FY 2014-15, we are seeing significant traction from segments like - Asset-centric organizations, Project-centric organizations (EPC), Facility Management and Professional Services.

Our strategy to focus on key industry segments is helping us build greater momentum and deep product expertise. While market for standard ERP is showing slower growth, the opportunities for 'Two-tier ERP' implementations and business transformation projects are growing rapidly. Capitalizing on this, Ramco has been positioning its **In-memory based Planning and Optimization engine** to clients in addressing their specific business problems. Ramco IPO will be a key differentiator which will drive businesses to take a 'new look' at IT.

## OPPORTUNITIES FOR



## IMPLEMENTATIONS

# OUR FLAGSHIP PRODUCT HAS SHOWN A HEALTHY

A quick snapshot of features and new additions in ERP portfolio:

- Ramco ERP rolled out HUB centric design for key roles such as Accounts Receivables/Payables and Procurement. With a single screen to do all transactions related to a role, HUB enables minimized traversals and clicks, quick processing with to-do's highlighted, in-line query option, bulk processing among other. Actions such as **Authorization, Deletion, Printing, Holding, Releasing, and Reversing** can be performed directly from this page for one or more documents at the same time
- Global Tax Solution: Ramco ERP gets tax-ready for Malaysia, Thailand and Australia
- In-line Collaboration: A tool using which an ERP user can log on to the transaction and initiate a discussion from his screen

## PROCESSING CAPACITY INCREASES UPTO



## GROWTH CLOCKING NEARLY 1 NEW CUSTOMER A WEEK





A man in a white shirt is leaning forward, resting his hands on a white desk. The background is a solid light blue color. The text 'RE-IMAGINING' is overlaid on the right side of the image.

# RE-IMAGINING

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Technology Platform



# REIMAGINING Technology Platform

Ramco's key differentiator is its innovative approach to develop products through its revolutionary enterprise application assembly and delivery platform - Ramco VirtualWorks® (for transaction systems) and Ramco DecisionWorks™ (for analytics/reporting).

Our technology platforms enable us to address comprehensive business requirements in real time, in addition to addressing the entire business cycle from transaction to analytics. Our technology platforms are geared up for the ever evolving digital workplace and are differentiated because of the following features:

- Multi-tenant cloud architecture
- Device-specific rendering and hence no need to develop additional applications for mobiles or devices such as smart watches and Google Glasses
- Model-based architecture requiring minimalistic programming efforts
- In-memory multi agent technology making the application adaptive and intelligent

- Component architecture enabling customers to pick and choose the relevant modules
- Extension tools to customize products to meet the specific requirements of customers

All our applications are developed on this common platform unlike other competing products that have been "assembled" from multiple acquisitions.

This weeds away all the challenges related to integration of multiple products that are developed on different technology platforms.



## OUR TECHNOLOGY PLATFORMS ENABLE US TO ADDRESS



# INTEGRATED PLATFORM TO RUN EVERYTHING

Ramco VirtualWorks®

**COMPREHENSIVE BUSINESS REQUIREMENTS IN REAL TIME**



# REIMAGINING Project Chrysalis

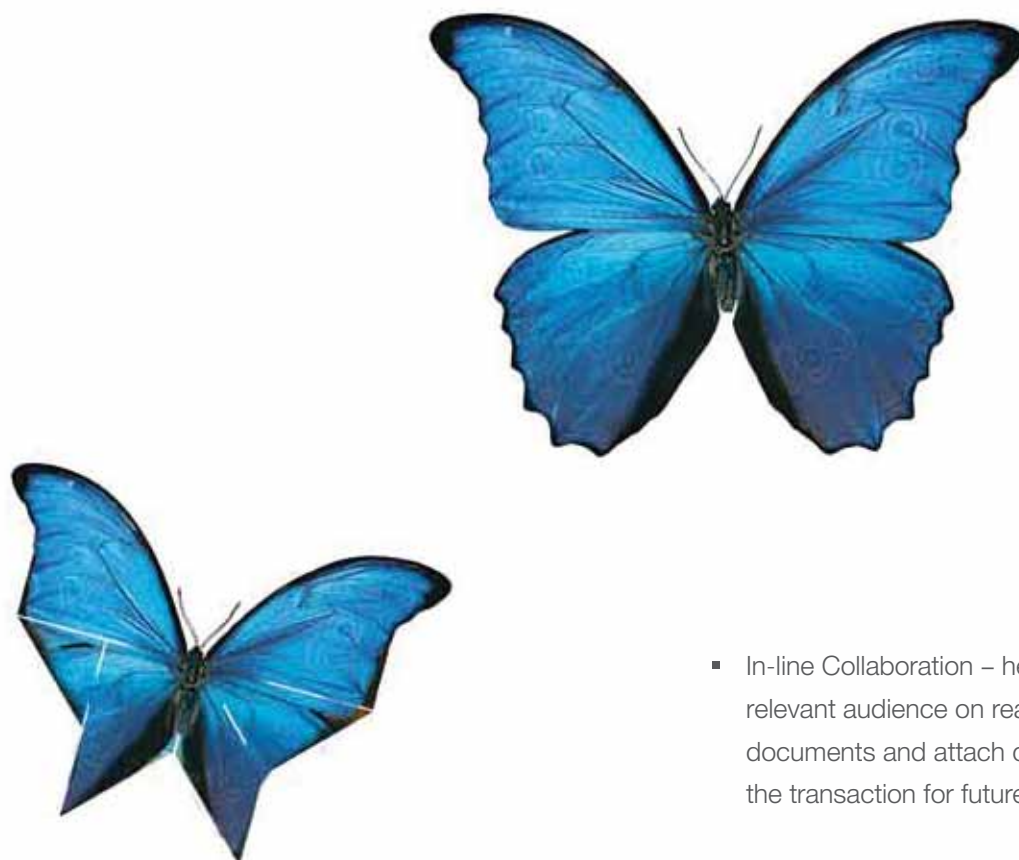
There is a paradigm shift happening in digital product design. For a long time, there has been a clear split between business software, and consumer software. That divide is increasingly getting irrelevant and business users want their applications to be simple, minimalistic and contextual.

While organizations today are looking for applications that are intuitive, intelligent and highly user-centric, Ramco has always been thinking

ahead of time, in its journey of innovations. Ramco's new concept revolving around user experience – Project Chrysalis, aims at cutting down the clutter, simplifying navigation and making the application intelligent and context sensitive.



**RAMCO HAS ALWAYS BEEN THINKING**



**Some of the features being focused under Project Chrysalis, include:**

- Time-line to track, visualize the project/ document progress
- Menu based on User-preference or as Favorites, which helps highlight the most frequently used menu options in a Cloud Tag
- In-line Collaboration – helps interact with the relevant audience on real-time basis, exchange documents and attach chat conversation to the transaction for future reference
- Standardization of all design elements – color, button, fonts, names across the product
- Focus on visualization to help decipher information much better in real time
- Prompting user to take actions proactively
- Aid in decision making rather than simply reporting

## AHEAD OF TIME, IN ITS JOURNEY OF INNOVATION

# Ramco Systems Limited, INDIA

## Data Visualization

It's a known fact that the human brain processes information faster when it is displayed as charts and graphs rather than in spreadsheets or as reports. That's where data visualization becomes pivotal for adoption of any enterprise software.

We at Ramco have gone a step further to bring in "interactive" data visualization that involves moving beyond mere display of static graphics and spreadsheets to using them to drill down not only for further details but also for interactively carrying out the transaction.

## Ramco HUB – The HUB of all innovations

Multitasking across all organizational functions throws up newer challenges for user interface design. To address these ad hoc challenges, Ramco launched 'HUB', a unique user experience driven innovation built around a whole new experiential concept -- doing more by doing less, in order to improve productivity and usability of an ERP. Born out of Ramco's Innovation Lab, it brings a unified view across related functions for a given role. The ERP user can now get away from maneuvering through a maze of menus as everything he needs to do is now available in a single screen.

## HUB offers

- A one stop landing page to cut the complexity across document types, activities and pages
  - Preview of critical information and data to take appropriate action
  - Helps personalize user profile and set the context to view only what is relevant to the user
  - Enables bulk processing based on status
- Intuitive Icon based actions
  - Quick launch to enable direct screen access without detailed query
  - Easy links for taking next set of actions
  - Links to related reports

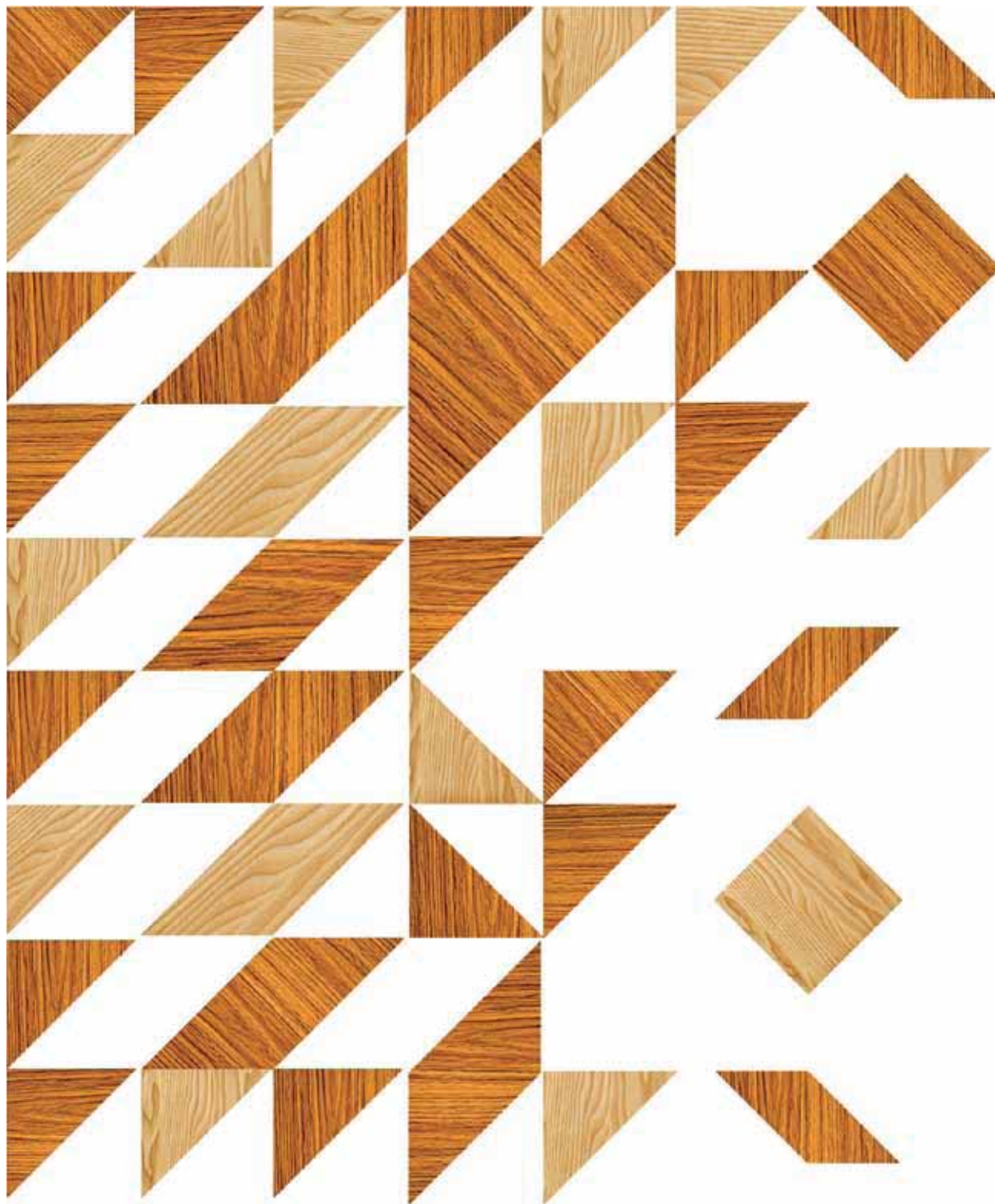
## Hybrid Solutions in Mobile Devices

With the maturity in HTML5 technologies, the company has developed a Hybrid Solution which uses the device capabilities as well as the HTML5 capabilities to offer a seamless experience to the end users while offering extreme agility and productivity to the application development teams. This uses an industry leading framework which offers high performance and increased usability.

Along with HTML5, significant investments are being made to make the user interface responsive. This gives the freedom to the designer how the various user interface elements arrange themselves based on the form factor and the devices they belong to.

## Context Aware Solutions:

Extensive research has been done to incorporate the various context aware capabilities of the devices into the Enterprise Solutions offered. These capabilities include Geo Spatial representation, QR Code interfacing, Bar Code interfacing, Near Field Communication (NFC) interfacing and Location Services incorporation.



## THE HUB OF ALL INNOVATION





# REIMAGINING Communication

## Gesture Computing

Taking solutions one step further, investments are being made to explore the use of gestures in business transactions. This will be of a great value where solutions tend to be used in non-conductive environment for traditional input devices.

## Nearables

With micro location gaining traction, investments are being made to incorporate the use of beacons and the corresponding information usage within the business applications. With beacons, devices offer more relevant information to the end users based on the context which includes time, date,



**THE POTENTIAL IS IMMENSE AND THE FOLLOWING YEAR WILL**

physical location and the person owning the device. The potential is immense and the following year will see tremendous growth in the offerings in this space.

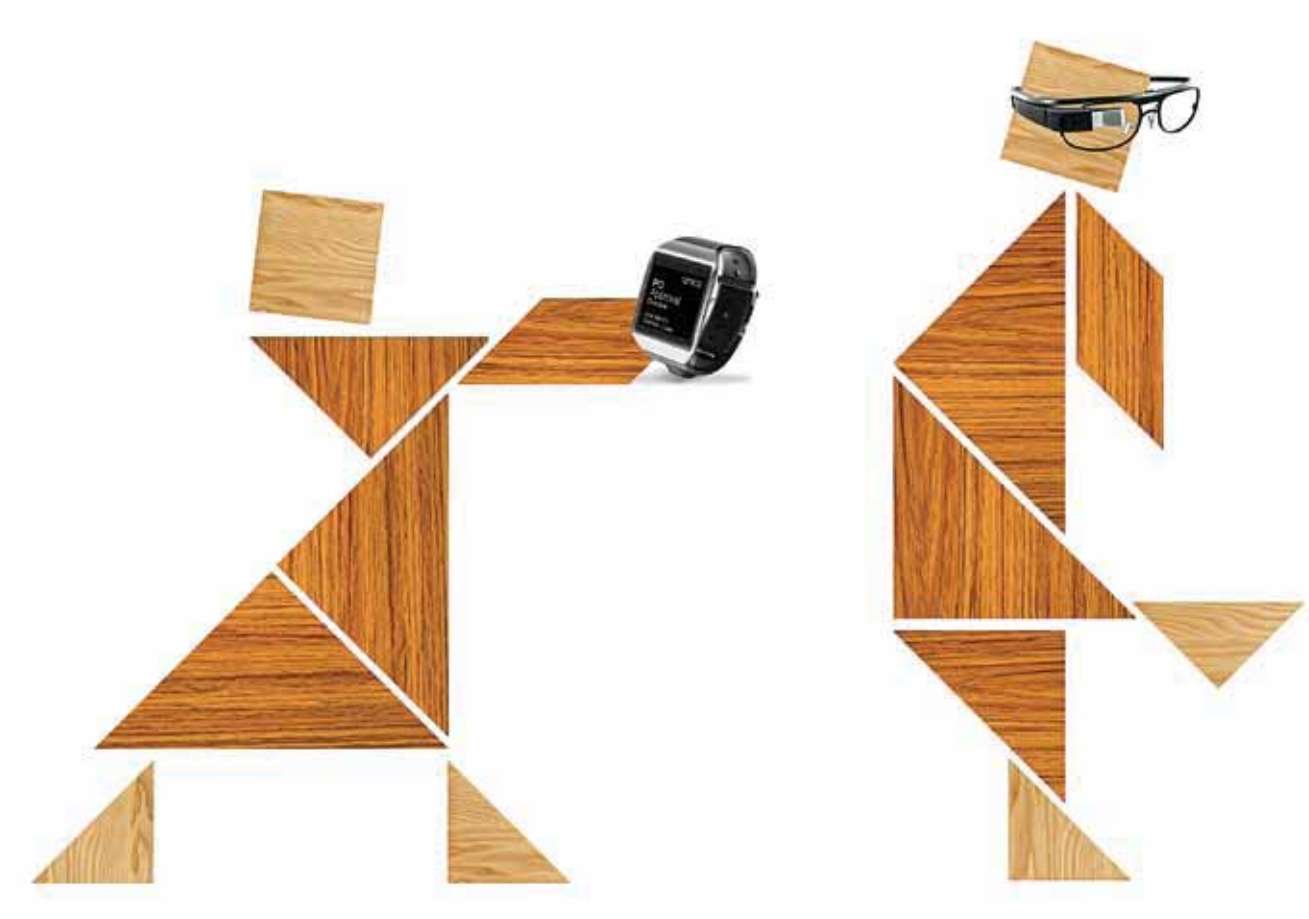
### Wearable Devices

With internet of things emerging, efforts are on to explore various solutions that could be offered on Smart Watches and Google Glass. Preparations are on to ensure that the solutions would be

available on the Apple iWatch as soon as it is launched in this part of the continent. The future of our solutions will see enriched Augmented Reality through more practical wearables such as the Microsoft Holo Lens.

### Analytics on Devices

Work is on to explore effective representation of visualization on the mobile devices including smartphones, phablets and the tablets.



## SEE TREMENDOUS POTENTIAL AND GROWTH IN THIS SPACE



## Ramco Innovation Lab

### Your wish is Ramco Genie's command

Future of enterprise applications is the cognitive computing that offers fundamental differences in how systems are built and interact with humans. Cognitive systems, are able to build knowledge and learn, reason and interact more naturally with users than traditional systems. They are also able to put content into context with confidence -- weighted responses and supporting evidence and are also able to identify new patterns and insights.

Ramco's applications are evolving in this direction with introduction of **Ramco Genie** which ensures that the ERP doesn't remain a transaction system anymore but aids in decision making and performance enhancement of the users. Ramco Genie learns and monitors the transactions that a user performs and over time, becomes adaptive and intuitive. It then starts defaulting data, based on the past patterns, recommends the transaction

and educates the user on evolving trends or impending decisions.

#### Agent-based Process Optimization Framework

Business Solutions have complex processes which take into consideration a variety of inputs and constraints and try to arrive at an optimal solution in terms of cost and schedule. These challenges require complicated and repetitive processing requirements that will attempt to solve such complex problems. Significant efforts have been made towards building the Advanced agent-based Process Optimization Framework (Ramco In Memory Process Optimization). Efforts are on to support significant capabilities such as Online MRP, which eliminates the need for a separate processing requirement for MRP processing in traditional ERP product scenarios.

## THE PHENOMENAL POWER OF THE ADVANCED

### Offline Desktop Solution

With the need for having solutions that are distributed geographically in places which do not have a reliable internet connectivity, but still need a connected solution, a hybrid capability has been developed where solutions are delivered on Rich Clients for the Desktop which are self-sufficient, and can occasionally connect to the central system to upload and download data.



## AGENT-BASED PROCESS OPTIMIZATION FRAMEWORK





**RAMCO USER MEET 2015**  
**A PLATFORM FOR USERS TO ENGAGE**  
**WITH RAMCO**



February 2015 was indeed an eventful month, at Ramco. Customers across ERP, HCM and Aviation converged at the picturesque St. Regis Monarch Beach Resort in Los Angeles for the Annual Ramco User Meet. The best endorsement for any product is its customer and RUM 2015 reaffirmed that we are in the great company of successful and growing organizations.

Cloud, Mobility, Internet of Things, Nearables and Big Data are a few technologies which have risen

to disrupt the status quo. Revolving around this, the event was themed – ‘**Disrupting the Status Quo**’. The three-day meet had senior leaders from Emirates Airlines, Petroleum Helicopters, Kerzner International, BL Harbert International, Columbia Helicopters Inc., Able Aerospace & Engineering, MJB Woods, Air India, and many others share their insights and knowledge on varied subjects around - technology, processes and operations.

## CUSTOMER SPEAK

**Mr. John Beaudette,**  
CEO, MHW

“Ramco was the only solution provider that could meet all our customer centric needs and also help us keep in pace with technology. We are certainly proud to be associated with Ramco.”

“Our 15+ years of partnership with Ramco has been very positive. Ramco has been supportive throughout the journey and we appreciate their readiness to address all our requirements.”

**Mr. David Parmeter,**  
Controller, CHI

**Mr. Karthikeyan,**  
CEO, Engsol

"Ramco ERP on Cloud makes better sense in terms of quick ROI, for an EPC industry which is project based and timeline bound."

"We made a major decision to migrate from a legacy system to Ramco's integrated platform. Not only did we set a record time for implementation; we are also now able to reap exceptional benefits and transform our engineering solutions across multiple locations. The net effect is a dramatic improvement in engineering efficiency, optimised fleet management, and reduction in aircraft on-ground time."

**Mr. Ahmad Jauhari Yahya,**  
Group CEO,  
Malaysia Airlines,

**Mr. Argee Abraham,**  
Program Coordinator,  
BL Harbert  
International

"The availability of the solution on handheld devices enabling email transactions and approvals, certainly has made a significant difference. With streamlined processes and unified data flow, data analysis and reports are done in a jiffy... Also with wearables, we will now experience a hands-free application."

"With Ramco HCM solution we now integrate and manage entire employee lifecycle right from hire to retire, synchronize our payroll processes, addressing the respective statutory need. Therefore minimizing the payroll processing time and going paperless. It's good to see how a single solution has been revolutionizing various industries..."

**Mr. Imran Ahmad,**  
Chief Human Resources  
Officer, RedTag  
(part of BMA  
International)

**Mr. Raylund Romero,**  
Procurement Manager,  
Petroleum  
Helicopters Inc.

Ramco it was! Usability, Security, Web-based functionalities, Collaboration of systems and millions of transactions favored our decision to zero-down on Ramco. Kept on schedule, track and cost, Switching off the old system and switching on the new one, was never this easy!





**TRUSTED BY**  
**1000+ CUSTOMERS,**  
**ACROSS 35+ COUNTRIES**





# REIMAGINING

People • Culture • Innovation



## BUILDING A CULTURE WHERE PEOPLE ARE OPEN AND

Rapid disruption and innovation are driving product firms to invest in building the right platform for people to innovate and deliver newer offerings. It is in this context that 'culture' and 'people' gain great importance.

In order to build a competitive edge, the focus is on Experimentation, Innovation and Customer Delight. All employees are encouraged to be 'outward focused' given the freedom to share their ideas to build a flat and open organization.

## ► People Asset Creation / Talent Acquisition

To build world-class products, we constantly look at hiring high end "Intellect". A mix of freshers, laterals and internal job rotation. This year we hired more than 150+ students from top colleges - IITs, NIT, B-Schools such as ISB, IIM, XLRI, and BIM. We also hired 45 Chartered Accountants from ICAI, Chennai and Delhi – the highest number of CAs to have been recruited in the company.

We also engaged in networking with Ramco alumnus at regular intervals. The industry-academia engagement was given a greater thrust by engaging in a dialogue with interational students on a regular basis.

### Organization Simplification

Last year we realigned the organization into three Strategic Business Units. In order to rationalize the operations within SBUs, we introduced the concept of 'Change the Business' (CTB) and 'Run the Business' (RTB). Each SBU will have two teams which will function under CTB and RTB umbrella. The CTB team will be responsible for tracking technology trends, bringing innovations and new features to the product. The RTB team on the other end, will manage day

to day business operations of the SBU. This demarcation has enabled that the present is not discounted for the future and vice versa.

### Employee to Revenue Ratio – an indicator of better run operations

The organization simplification exercise also helped us review revenue per employee ratio across SBUs. And to improve the ratio with the underlying objective of delivering more with lesser people. Mandatory weekly 'Catch up Calls' for increased transparency, hiring from within before exploring outside market, shared goals and rewards for individuals - are some of the key initiatives.



# RESPONSIVE TO THE ENVIRONMENT CAN MAKE THE DIFFERENCE

## Ramco Systems Limited, INDIA

### ► Building the right 'Culture' Where the intangible meets the tangible

New age companies go the extra mile. No hierarchies, cabin-less offices, coffee with the CEO, 'Out of the Box' ideas, respect work and not titles, are just a few slogans at the new Ramco!

#### Coffee with the CEO

"Coffee with the CEO" is a unique program which has helped break down hierarchy and maintain an open culture. The employees' interaction with CEO is informal in nature. Employees feel good about Ramco and its leadership.

#### Innovation thrives in our Workplace too !

Our office and cafeteria are designed to encourage interactions between talent within and across teams and to spark conversations.

#### Launch of FIKA and T.G.I.M Bistro Cafeteria

FIKA provides an environment where employees are encouraged to interact with the management over a cup of coffee and conduct business meetings with prospects and customers. TGIM-Bistro, on the other hand, is a cafeteria with a difference! It offers subsidized and calorie-measured food to satiate the employees' taste buds and improve their health and wellness.



## ► Stretch a little

A key attraction in Ramco is the chic Zumba studio training for employees every day. We promote the concept of “stretch a little at work” in order to break the monotony of the sedentary life-style.

### Yoga for the soul

An in-house Yoga Studio; offers sessions every day for employees - simple postures, meditation, and stress management techniques. We preach and practice these across the organization.

### A People Organization

The efforts to build a culturally different organization has started to show positive results. The company's ranking in GlassDoor, an independent work life and job review website, has improved dramatically and is on par with some of the best ranked companies, globally.

We have adopted a non-linear approach to reward star performers. In this methodology, the monetary rewards an individual/team will make if they achieve targets are clearly communicated. On exceeding targets, the rewards grow substantially and ensure accelerated growth for good performers.

### Liberal Stock Option Scheme

ESOPs are no longer restricted to senior management members. Star performers across levels have been brought under the ESOP scheme to build an inclusive culture.

- Yammer – Ramco's Facebook
- Open Forum Meeting/Town Hall Meetings
- Take a Break ! Every Year !



# Ramco Systems Limited, INDIA

## 3. INFORMATION ON SUBSIDIARIES AND ASSOCIATES

As on 31st March 2015, the Company has the following 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 and an associate viz., Citiworks (Pty) Limited, South Africa (Associate of RSL Enterprise Solutions (Pty) Ltd, South Africa).

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.

Ramco Systems Pte. Ltd, Singapore opened a branch office in Hong Kong vide Certificate of Registration dated 18th March 2015 issued by the Companies Registry, Hong Kong.

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

## 4. CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreement entered into with the Stock Exchanges and section 129(3) of the Companies Act, 2013, the Audited Consolidated Financial Statements of the Company and its subsidiaries, together with Auditors' Report thereon for the year ending 31st March 2015 is presented in this Annual Report.

## 5. CHANGES IN CAPITAL STRUCTURE

### (i) Allotment of shares under Employee Stock Option Schemes

During the Financial Year 2014-15, the Share Capital of the Company has undergone changes 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 5,28,778 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.

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

<b>Date of allotment</b>	<b>No. of Shares Allotted</b>
6th August 2014	1,27,509
27th August 2014	1,59,450
16th September 2014	76,958
1st October 2014	25,931
21st October 2014	19,346
4th November 2014	16,242
22nd November 2014	26,188
4th December 2014	10,866
2nd January 2015	13,564
5th February 2015	39,602
6th March 2015	8,325
23rd March 2015	4,797
<b>Total</b>	<b>5,28,778</b>

**(ii) Allotment of shares under Rights Issue 2013**

The Board of Directors had, in the meeting held on 30th May 2013, approved issue of equity shares on rights basis 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, 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 79,58,293 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.1,233.54 million. The issue opened for subscription on 5th May 2014 and closed on 19th May 2014 and was fully subscribed. The basis of allotment was finalized in consultation with BSE Limited on 28th May 2014. Rights Issue 2013 Committee had, in the meeting held on 28th May 2014, approved the allotment of 79,58,293 shares of Rs.10/- each. Excess share application money has also been refunded on 30th May 2014. The shares have since been listed and trading approvals were received on 3rd June 2014.

Consequent to the allotment of shares under (i) and (ii) above, the paid up share capital of the Company has increased from Rs.15,91,65,850 (comprising of 1,59,16,585 shares of Rs. 10 each) as on 31st March 2014 to Rs.24,40,36,560 (comprising of 2,44,03,656 shares of Rs.10 each) as on 31st March 2015.

The funds raised through the Rights Issue were utilized towards the stated objectives as given below:

Details	(in Rs. Mln.)	
	As per Letter of offer	Actual utilization during year ended 31st March 2015
<b>PROCEEDS:</b>		
Proceeds received from Rights Issue 2013	1,233.54	1,233.54
<b>UTILISATION:</b>		
Repayment / Pre-payment of certain loans	945.00	945.00
Issue related expenses	8.81	9.28
General Corporate Purpose	279.73	279.26
<b>Total Utilisation</b>	<b>1,233.54</b>	<b>1,233.54</b>

**(iii) Allotment of shares under Qualified Institutional Placement (QIP)**

The Board of Directors had, in the meeting held on 27th July 2014, approved a further issue, through public offering or qualified institutions placement or private placement or a combination thereof, by way of issuing equity shares or global depository receipts ("GDRs") or the American depository receipts ("ADRs") or foreign currency convertible bonds ("FCCBs") or convertible securities or warrants which are convertible into equity shares of the Company or any combination of Securities, aggregating to Rs.5,000 million and constituted Fund Raising Committee of the Board in this regard. The approval of the shareholders for the same was obtained on 12th September 2014. The Fund Raising Committee in its meeting held on 22nd April 2015, approved the Preliminary Placement Document proposed to be filed with the Stock Exchanges and authorised the issue and allocate 51,18,100 equity shares at a price of Rs.635.00 (Rupees six hundred and thirty five only) per Equity Share (including a premium of Rs.625.00 per Equity Share), after approving a discount of 4.9444% to the floor price of Rs.668.03 per Equity Share, aggregating to Rs. 3,249.99 million, to qualified institutional buyers (QIBs). The issue was fully subscribed and shares were allotted by the Fund Raising Committee on 29th April 2015. The shares have since been listed and trading approvals were received on 7th May 2015. The fresh infusion of funds is aimed to meet the needs of our growing business, marketing and brand building initiatives, long term working capital requirements, repayment of existing debts, investment in subsidiary companies and other corporate purposes. From out of the funds thus raised, the Company had repaid loans to the extent of Rs.2,967.50 million as on the date of this report.



# Ramco Systems Limited, INDIA

## 6. PUBLIC DEPOSITS

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

## 7. BOARD OF DIRECTORS AND COMMITTEES

As per the provisions of Companies Act, 2013, Shri A V Dharmakrishnan (DIN:00693181), Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. The Board of Directors recommends the above re-appointment for approval of the Members. The brief resume and other details relating to the Director, as stipulated under Clause 49(VIII)(E) of the Listing Agreement, are furnished in the Notice of Annual General Meeting being sent to the Members along with this Annual Report.

At the Annual General Meeting held on 28th July 2014, the members of the Company have approved the re-appointment of Shri P R Venketrama Raja as Managing Director of the Company for a period of three years with effect from 22nd May 2014 under Section 196, 197 read with Section 203 of the Companies Act, 2013 and at a remuneration as per Schedule V of the said Act. The members have, in the said Annual General Meeting, also appointed Shri M M Venkatachalam, Shri R S Agarwal and Shri V Jagadisan as Independent Directors of the Company for a consecutive term of five years starting from 1st April 2014 without being subject to retirement by rotation, in order to comply with the requirement of Section 149 of the Companies Act, 2013.

Shri S S Ramachandra Raja, Director and Shri N K Shrikantan Raja, Director have resigned from Directorship of the Company with effect from 13th August 2014 to enable the Company to comply with the requirements of the revised Listing Agreement pertaining to composition of the Board. The Board wishes to place on record the valuable guidance and services provided by them during their tenure of office with the Company.

Smt. Soundara Kumar (DIN: 01974515) has been co-opted on 27th March 2015 as an Additional Director under Independent Director category. A Notice in writing has been received from a Member signifying his intention to propose the appointment of Smt. Soundara Kumar as a Director under Independent Director category at the ensuing Annual General Meeting to hold office for 5 consecutive years with effect from 27th March 2015 without being subject to retirement by rotation.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

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

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of the Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

Shri G Venkatram had resigned from the post of Company Secretary with effect from 6th February 2015 and Shri G Karthikeyan was appointed as Company Secretary with effect from 2nd March 2015.

## 8. BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and Clause 49(II)(B)(6)(b)(iii) of the Listing Agreement, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters. Pursuant to Clause 49(II)(B)(5) of the Listing Agreement, the Nomination & Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which are based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

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

## 9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

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

## 10. INTERNAL FINANCIAL CONTROLS

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

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the loan / guarantees / investments under Section 186(4) of the Companies Act, 2013 are provided under Note Nos.12,18 & 26.1 forming part of stand-alone financial statements

## 12. AUDITORS

### (I) STATUTORY AUDIT

At the Annual General Meeting held on 28th July 2014 M/s. CNGSN & Associates (Now known as M/s. CNGSN & Associates LLP), Chartered Accountants, Chennai, (Firm Regn. No. 004915S) were appointed as Statutory Auditors of the Company for three consecutive years being their remaining eligible period in terms of Rule 6 of Companies (Audit and Auditors) Rules, 2014. The matter relating to their appointment for the second year of their term is being placed before the Members for ratification at the ensuing Annual General Meeting, in accordance with the requirements of Section 139(1) of the Companies Act, 2013.

The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013, to the effect that the said reappointment would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for the same reappointment.

The report of the Statutory Auditors for the year ended 31st March 2015 both Standalone and Consolidated does not contain any qualification, reservation or adverse remark.

### (II) SECRETARIAL AUDIT

M/s. S.Krishnamurthy & Co., Company Secretaries, have been appointed to conduct the Secretarial Audit of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31st March 2015 is attached herewith as **Annexure A**. The report does not contain any qualification, reservation or adverse remark.

## 13. EXTRACT OF ANNUAL RETURN

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

## 14. CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall under the purview of the criteria specified in Section 135(1) of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) and hence the Company has not constituted a CSR Committee.

## 15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Clause 49(II)(F) of the Listing Agreement, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website.

## 16. RISK MANAGEMENT POLICY

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

# Ramco Systems Limited, INDIA

## 17. RELATED PARTY TRANSACTIONS

The transactions with related parties entered into by the Company are periodically placed before the Audit Committee for its approval. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and not attracting Section 188(1) of the Companies Act, 2013. No transaction with the related party is material in nature in accordance with the Company's "Related Party Transaction Policy" and Clause 49VII(C) of the Listing Agreement. In accordance with AS 18, the details of the transactions with the related parties are set out in Note No.31 to the financial statements.

As required under Clause 49(VIII)(A)(2) of the Listing Agreement, the Company's Related Party Transaction Policy is disclosed in the Company's website and its weblink is: <http://www.ramco.com/investor-relations/ramco-related-party-transaction-policy.pdf>.

As required under Clause 49(V)(D) of the Listing Agreement, the Company's Material Subsidiary Policy is disclosed in the Company's website and its weblink is: <http://www.ramco.com/investor-relations/Ramco-Material-Subsidiary-policy.pdf>.

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

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

## 19. EMPLOYEE STOCK OPTION PLAN/ SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME

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

- (A) Employee Stock Option Plan, 2000 (ESOP 2000)
- (B) Employee Stock Option Scheme, 2003 (ESOS 2003)
- (C) Employee Stock Option Scheme, 2004 (ESOS 2004)
- (D) Employee Stock Option Scheme, 2008 (ESOS 2008)
- (E) Employee Stock Option Scheme, 2009 – Plan A (ESOS 2009-Plan A)
- (F) Employee Stock Option Scheme, 2009 – Plan B (ESOS 2009-Plan B)
- (G) Employee Stock Option Scheme, 2013 (ESOS 2013)
- (H) Employee Stock Option Scheme, 2014 (ESOS 2014)

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

Details regarding the above mentioned schemes along with their status are annexed to, and forms part of, this report as **Annexure D**. 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.

## 20. 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, is annexed to and forms part of, this report as **Annexure E, F & G**.

## 21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirement of Clause 49(VIII)(D)(1) 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 as **Annexure H**.

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

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

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

## 23. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2015 and of the profit of the Company for the year ended on that date;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER 31ST MARCH 2015

Except as described in point 5(iii) of this report there are no material changes and commitments affecting the financial position of the Company which have occurred between the 31st March 2015 and the date of this report i.e., 29th May 2015.

### 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 : 29<sup>th</sup> May 2015

**P R RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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

To,

The Members,

**Ramco Systems Limited**, [CIN: L72300TN1997PLC037550]

47, PSK Nagar, Rajapalayam-626108

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. Ramco Systems Limited** (hereinafter called "the Company"). We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company, compliance related action taken by the Company during the financial year ended on 31st March 2015 and also after 31st March 2015 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during our conduct of secretarial audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2015, (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as **Annexure – I**.

1. We have examined the books, papers, minute books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) The Companies Act, 1956 and the rules made thereunder
  - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
  - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
    - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
    - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

- (vi) The Software Technology Parks Scheme which is specifically applicable to the Company's STPI Unit.
- (vii) The Listing Agreements entered into by the Company with:
  - (a) BSE Limited;
  - (b) National Stock Exchange of India Limited; and
  - (c) Madras Stock Exchange Limited (which has ceased to be a recognized stock exchange effective 14th May 2015).

2. We are informed that, for the year:

- (i) The Company was not required to maintain any books, papers, minute books or other records or to file any forms/ returns according to the provisions of following Regulations and Guidelines prescribed under the SEBI Act:
  - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (ii) There were no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.

3. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July 2015.

4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable, subject to the observations placed in **Annexure-II** to this report, which are not in the nature of qualifications.

5. We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board has appointed a woman director on 27th March 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) During the year:
  - (a) Adequate notice was given to all directors to schedule the Board Meetings.
  - (b) Notice of Board meetings were sent at least seven days in advance.
  - (c) Agenda and detailed notes on agenda were sent less than seven days before the meetings, since there was no statutory requirement to send them seven days in advance of the meeting.
- (iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) The details of specific events/ actions during the audit period which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards are given below:

## Ramco Systems Limited, INDIA

- (a) The members have at the annual general meeting held on 28th July 2014 passed the following special resolutions:
- Under section 14 of the Act approving alteration of articles of association; and
  - Under section 180(1)(c) of the Act according consent to the Board of Directors to borrow upto Rs.500 crores (apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the Company.
- (b) The members have through a postal ballot process passed the following special resolutions on 12th September 2014:
- Under section 62(1)(c) of the Act and applicable provisions of other laws approving further issue of shares to raise upto Rs.500 crores;
  - Under Foreign Exchange Management Act, 1999 and regulations thereunder according consent to the Board to permit Foreign Portfolio Investors registered with SEBI to hold upto 49% of the paid-up equity capital; and
  - Under section 62(1)(b) of the Act and applicable provisions of other laws approving grant of stock options and to consequently issue and allot upto 10,00,000 (Ten Lakhs only) equity shares of Rs.10/- each under "Employees Stock Option Scheme 2014".
- (c) The company has allotted 79,58,293 equity shares under Rights Issue 2013 scheme at a price of Rs. 155/- per equity share.

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

**K. Sriram,  
Partner.**

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

**Date:** 29th May 2015  
**Place:** Chennai

**Annexure – I to Secretarial Audit Report (Form MR-3) of even date  
for the financial year ended 31st March 2015**

To,  
The Members,  
**Ramco Systems Limited**, [CIN: L72300TN1997PLC037550]  
47, PSK Nagar, Rajapalayam- 626108

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2015 is to be read along with this letter**

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have, while forming an opinion on compliance and issuing this report, also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 became operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
5. We have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**K. Sriram,  
Partner.**

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

**Date:** 29<sup>th</sup> May 2015  
**Place:** Chennai



**Annexure – II to Secretarial Audit Report (Form MR-3) of even date  
for the financial year ended 31st March 2015**

<b>Sl.No.</b>	<b>Observation</b>
1.	The Annual Return on Foreign Liabilities and Assets for the year ended 31st March 2014, which, in terms of A.P. (DIR Series) Circular No.133 dated June 20, 2012 read with the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, should have been filed with the Reserve Bank of India on or before 15th July 2014 has been filed on 12th August 2014.
2.	Share certificates for 2 transfers were dispatched 19 days and 21 days respectively after lodgment respectively as against 15 days specified in clause 3 of the listing agreement.

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

**K. Sriram,  
Partner.**

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

**Date:** 29<sup>th</sup> May 2015  
**Place:** Chennai

## Form No.MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015 of Ramco Systems Limited  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

## Ramco Systems Limited, INDIA

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Ramco Systems Corporation Crossroads Corporate Center 3150 Brunswick Pike, Suite 206, Lawrenceville, NJ 08648 USA	NA	Subsidiary	98%	2(87)(ii)
2	Ramco Systems Limited Dorfplatz 3 P.O. Box 106 CH - 4418 Reigoldswil Switzerland	NA	Subsidiary	100%	2(87)(ii)
3	Ramco Systems Pte. Limited 79 Anson Road, #15-04/05, Singapore - 079906.	NA	Subsidiary	100%	2(87)(ii)
4	Ramco Systems Sdn. Bhd. 3 B – 15 - 7, Level 15 Block 3 B, Plaza Sentral, JalanStesenSentral 5, Kuala Lumpur – 50470 Malaysia	NA	Subsidiary	100%	2(87)(ii)
5	RSL Enterprise Solutions (Pty) Limited No 5, Walnut Road, 2nd Floor, SmartXchange Building, Durban-4000, South Africa - PO No: 1228	NA	Subsidiary	100%	2(87)(ii)
6	Ramco Systems Canada Inc., Suite 2600, Oceanic Plaza, 1066, West Hastings Street, Vancouver, BC V6E 3X1, Canada.	NA	Subsidiary of Sl. No.1	100% held by Sl.No.1	2(87)(ii)
7	Ramco Systems FZ-LLC. Suite No.111, 1st Floor, BT Building, EIB 04, Dubai Internet City, P O Box : 500189, Dubai – U.A.E	NA	Subsidiary	100%	2(87)(ii)
8	RSL Software Company Ltd. House number 306, Second Floor, Block 21, Riyadh, Khartoum, Sudan	NA	Subsidiary	100%	2(87)(ii)
9	Ramco Systems Australia Pty Ltd. Level 2, Riverside Quay, 1 Southbank Blvd Southbank, VIC 3006, Australia	NA	Subsidiary	100%	2(87)(ii)
10	Cityworks (Pty) Limited (earlier known as Redlex 47 (Pty) Limited) No 5, Walnut Road, 3rd Floor, SmartXchange Building, Durban-4001, South Africa - PO No: 1228	NA	Associate of Sl. No.5	30% held by Sl. No.5	2(6)

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoter &amp; Promoter Group</b> (Promoter Group is as per the classification shown under Clause 35 of the Listing Agreement & SEBI (SAST) Regulations, 2011)									
<b>(a) Promoter</b>									
(1) Indian									
(a) Individual/HUF	25,07,430	-	25,07,430	15.80	37,61,144	-	37,61,144	15.42	-0.38
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(a)(1)</b>	<b>25,07,430</b>	<b>-</b>	<b>25,07,430</b>	<b>15.80</b>	<b>37,61,144</b>	<b>-</b>	<b>37,61,144</b>	<b>15.42</b>	<b>-0.38</b>
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(a)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(b) Promoter Group</b>									
(1) Indian									
(a) Individual/HUF	8,13,177	-	8,13,177	5.12	9,41,888	-	9,41,888	3.86	-1.26
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	74,97,287	-	74,97,287	47.25	1,21,75,979	-	1,21,75,979	49.90	2.66
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(b)(1)</b>	<b>83,10,464</b>	<b>-</b>	<b>83,10,464</b>	<b>52.37</b>	<b>1,31,17,867</b>	<b>-</b>	<b>1,31,17,867</b>	<b>53.76</b>	<b>1.39</b>
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(b)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter &amp; Promoter Group (A)= (A)(a)(1) + (A)(a)(2)+(A)(b)(1) + (A)(b)(2)</b>	<b>1,08,17,894</b>	<b>-</b>	<b>1,08,17,894</b>	<b>68.18</b>	<b>1,68,79,011</b>	<b>-</b>	<b>1,68,79,011</b>	<b>69.18</b>	<b>1.00</b>
<b>(B)Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	-	300	300	0.00	5,32,217	300	5,32,517	2.18	2.18
(b) Banks/FI	24,800	150	24,950	0.16	24,800	150	24,950	0.10	-0.06
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	3,14,133	-	3,14,133	1.98	5,971	-	5,971	0.02	-1.96
(g) FIs	10,000	-	10,000	0.06	3,68,706	-	3,68,706	1.51	1.45
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

# Ramco Systems Limited, INDIA

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i) Others (Foreign Portfolio Investor (Corporate))	-	-	-	-	9,40,658	-	9,40,658	3.86	3.86
<b>Sub-Total (B)(1)</b>	<b>3,48,933</b>	<b>450</b>	<b>3,49,383</b>	<b>2.20</b>	<b>18,72,352</b>	<b>450</b>	<b>18,72,802</b>	<b>7.68</b>	<b>5.48</b>
<b>(2) Non- Institutions</b>									
(a) Bodies Corp									
i. Indian	9,31,762	559	9,32,321	5.88	6,88,898	559	6,89,547	2.83	-3.05
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	17,21,737	1,34,140	18,55,877	11.70	20,65,403	1,32,132	21,97,535	9.01	-2.69
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13,52,541	2,25,307	15,77,848	9.94	16,94,753	2,25,307	19,20,060	7.87	-2.07
(c) Others (Specify)									
Clearing Member	15,310	-	15,310	0.10	8,944	-	8,944	0.04	-0.06
Foreign Nationals	-	4,100	4,100	0.03	-	4,100	4,100	0.02	-0.01
Hindu Undivided Families	1,49,512	-	1,49,512	0.94	2,49,738	-	2,49,738	1.02	0.08
Non Resident Indians	1,31,356	-	1,31,356	0.83	5,77,212	-	5,77,212	2.37	1.54
Trusts	34,125	-	34,125	0.22	-	-	-	-	-0.22
<b>Sub-Total (B)(2)</b>	<b>43,36,343</b>	<b>3,64,106</b>	<b>47,00,449</b>	<b>29.62</b>	<b>52,84,948</b>	<b>3,62,098</b>	<b>56,47,046</b>	<b>23.14</b>	<b>-6.48</b>
<b>Total Public Shareholding</b>	<b>46,85,276</b>	<b>3,64,556</b>	<b>50,49,832</b>	<b>31.82</b>	<b>71,57,300</b>	<b>3,62,548</b>	<b>75,19,848</b>	<b>30.82</b>	<b>-1.00</b>
<b>B = (B) (1) + (B) (2)</b>									
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,55,03,170</b>	<b>3,64,556</b>	<b>1,58,67,726</b>	<b>100.00</b>	<b>2,40,36,311</b>	<b>3,62,548</b>	<b>2,43,98,859</b>	<b>100.00</b>	<b>-</b>

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

### (a) Promoter

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in shareholding during the Year
		(As on 01-04-2014)			(As on 31-03-2015)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri P R Ramasubrahmaneya Rajha	3,62,469	2.28	-	5,43,703	2.23	-	-0.05
2	Shri P R Venketrama Raja	21,44,961	13.52	-	32,17,441	13.19	-	-0.33
	<b>Total</b>	<b>25,07,430</b>	<b>15.80</b>	<b>-</b>	<b>37,61,144</b>	<b>15.42</b>	<b>-</b>	<b>-0.38</b>

(b) Promoter Group

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in shareholding during the Year
		(As on 01-04-2014)			(As on 31-03-2015)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ramco Industries Limited	4,822,215	30.39	-	5,467,376	22.41	-	-7.98
2	The Ramco Cements Limited	2,117,810	13.35	-	5,417,810	22.21	-	8.86
3	The Ramaraju Surgical Cotton Mills Ltd.	12,739	0.08	-	12,739	0.05	-	-0.03
4	Nalina Ramalakshmi	241,532	1.52	-	241,532	0.99	-	-0.53
5	Saradha Deepa	232,042	1.46	-	232,042	0.95	-	-0.51
6	R Sudarsanam	103,125	0.65	-	154,687	0.63	-	-0.02
7	P V Nirmala	7,935	0.05	-	11,902	0.05	-	0.00
8	P V Abinav Ramasubramaniam Raja	73,555	0.46	-	110,332	0.45	-	-0.01
9	B Srisandhya Raju	73,780	0.46	-	110,670	0.45	-	-0.01
10	R Chittammal	81,208	0.51	-	80,723	0.33	-	-0.18
11	Ramco Agencies Pvt. Ltd.	1,388	0.01	-	1,388	0.01	-	0.00
12	Ramco Private Ltd.	3,713	0.02	-	3,713	0.02	-	-0.01
13	Rajapalayam Mills Limited	-	-	-	733,531	3.01	-	3.01
14	Ramco Management Pvt. Ltd.	300	0.00	-	300	0.00	-	0.00
15	Ontime Industrial Services Limited	539,122	3.40	-	539,122	2.21	-	-1.19
	<b>Total</b>	<b>83,10,464</b>	<b>52.37</b>	<b>-</b>	<b>1,31,17,867</b>	<b>53.76</b>	<b>-</b>	<b>1.39</b>

(iii) Change in Promoters / Promoter Group Shareholding:

(a) Promoter

Sl. No.	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	25,07,430	15.80	28 <sup>th</sup> May 2014	12,53,714	Rights Issue Allotment	37,61,144	15.42
	37,61,144	15.42	31 <sup>st</sup> March 2015			37,61,144	15.42

# Ramco Systems Limited, INDIA

## (b) Promoter Group

Sl. No.	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	83,10,464	52.37	3rd April 2014	10,000	Purchase	83,20,464	52.44
			28th May 2014	47,97,888	Rights Issue Allotment	1,31,18,352	53.77
			25th March 2015	-485	Sale	1,31,17,867	53.76

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

Sl. No.	Name	No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Ravikumar Ramkishore Sanwalka	3,73,331	2.35	1-Apr-14				
				28-May-14	62,222	Rights Issue Allotment	4,35,553	1.79
				13-Mar-15	10,781	Purchase	4,46,334	1.83
				20-Mar-15	-751	Sale	4,45,583	1.83
				31-Mar-15			4,45,583	1.83
		4,45,583	1.83					
2	Darshana Haresh Jhaveri JT1 : Haresh Shantichand Jhaveri	1,93,921	1.22	1-Apr-14				
				11-Apr-14	-3,500	Sale	19,0421	0.78
				28-May-14	95,210	Rights Issue Allotment	2,85,631	1.17
				1-Aug-14	-17,500	Sale	2,68,131	1.10
				14-Aug-14	-5,000	Sale	2,63,131	1.08
				22-Aug-14	-10,000	Sale	2,53,131	1.04
				29-Aug-14	-10,000	Sale	2,43,131	1.00
				5-Sep-14	-50,000	Sale	1,93,131	0.79
				17-Oct-14	-2,500	Sale	1,90,631	0.78
				13-Mar-15	-762	Sale	1,89,869	0.78
		1,89,869	0.78	31-Mar-15			1,89,869	0.78

Sl. No.	Name	No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Mansan Investments Private Limited	1,31,528	0.83	1-Apr-14				
				28-May-14	65,764	Rights Issue Allotment	1,97,292	0.81
		1,97,292	0.81	31-Mar-15			1,97,292	0.81
4	Virender Aggarwal	1,00,000	0.63	1-Apr-14				
				28-May-14	1,00,000	Rights Issue Allotment	2,00,000	0.82
				6-Aug-14	97,573	ESOS Allotment	2,97,573	1.22
		2,97,573	1.22	31-Mar-15			2,97,573	1.22
5a	J O Hambro Capital Management Umbrella Fund PLC J O Hambro Capital Management Asia Ex Japan Fund	NIL	NIL	1-Apr-14				
				16-May-14	1,09,000	Purchase	1,09,000	0.45
				28-May-14	1,23,000	Rights Issue Allotment	2,32,000	0.95
				13-Jun-14	6,11,180	Purchase	8,43,180	3.46
		8,43,180	3.46	31-Mar-15			8,43,180	3.46
5b	J O Hambro Capital Management Umbrella Fund PLC J O Hambro Capital Management Asia Ex-Japan Small and Mid-Cap Fund	1,667	0.01	1-Apr-14				
				28-May-14	1,20,542	Rights Issue Allotment	1,22,209	0.50
				22-Aug-14	-10,000	Sale	1,12,209	0.46
				29-Aug-14	-10,000	Sale	1,02,209	0.42
				5-Sep-14	-7,000	Sale	95,209	0.39
				12-Dec-14	-731	Sale	94,478	0.39
				19-Dec-14	-1,093	Sale	93,385	0.38
				16-Jan-15	-6,200	Sale	87,185	0.36
				20-Feb-15	10,293	Purchase	97,478	0.40
		97,478	0.40	31-Mar-15			97,478	0.40
6	Sundaram Mutual Fund A/C Sundaram Smile Fund	NIL	NIL	1-Apr-14				
				27-Jun-14	28,174	Purchase	28,174	0.12
				30-Jun-14	5,874	Purchase	34,048	0.14
				4-Jul-14	12,497	Purchase	46,545	0.19
				11-Jul-14	1,364	Purchase	47,909	0.20
				18-Jul-14	5,797	Purchase	53,706	0.22



## Ramco Systems Limited, INDIA

Sl. No.	Name	No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				25-Jul-14	18,794	Purchase	72,500	0.30
				1-Aug-14	27,499	Purchase	99,999	0.41
				28-Nov-14	88,699	Purchase	1,88,698	0.77
				2-Jan-15	42,715	Purchase	2,31,413	0.95
				9-Jan-15	12,604	Purchase	2,44,017	1.00
				16-Jan-15	37,000	Purchase	2,81,017	1.15
				13-Feb-15	5,000	Purchase	2,86,017	1.17
		2,86,017	1.17	31-Mar-15			2,86,017	1.17
7	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	NIL	NIL	1-Apr-14				
				13-Feb-15	10,000	Purchase	10,000	0.04
				20-Feb-15	40,000	Purchase	50,000	0.20
				27-Feb-15	1,60,000	Purchase	2,10,000	0.86
				6-Mar-15	10,000	Purchase	2,20,000	0.90
				13-Mar-15	6,357	Purchase	2,26,357	0.93
				20-Mar-15	4,252	Purchase	2,30,609	0.95
				27-Mar-15	15,591	Purchase	2,46,200	1.01
		2,46,200	1.01	31-Mar-15			2,46,200	1.01
8	TFL PENSION FUND	NIL	NIL	1-Apr-14				
				6-Jun-14	1,01,686	Purchase	1,01,686	0.42
				13-Jun-14	1,828	Purchase	1,03,514	0.42
				20-Jun-14	1,391	Purchase	1,04,905	0.43
				27-Jun-14	467	Purchase	1,05,372	0.43
				4-Jul-14	34,125	Purchase	1,39,497	0.57
				18-Jul-14	404	Purchase	1,39,901	0.57
				25-Jul-14	2,408	Purchase	1,42,309	0.58
				30-Sep-14	6,378	Purchase	1,48,687	0.61
				3-Oct-14	1,060	Purchase	1,49,747	0.61
				10-Oct-14	330	Purchase	1,50,077	0.62
				14-Nov-14	9,916	Purchase	1,59,993	0.66
				21-Nov-14	28,144	Purchase	1,88,137	0.77
				28-Nov-14	6,325	Purchase	1,94,462	0.80
				12-Dec-14	7,293	Purchase	2,01,755	0.83
				19-Dec-14	2,743	Purchase	2,04,498	0.84
		2,04,498	0.84	31-Mar-15			2,04,498	0.84

Sl. No.	Name	No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)		Date*	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Samir Dilip Mehta Jt1 : Paromita Chakrabarti Mehta	69,037	0.44	1-Apr-14				
				28-May-14	1,00,000	Rights Issue Allotment	1,69,037	0.69
		1,69,037	0.69	31-Mar-15			1,69,037	0.69
10	CLSA (Mauritius) Limited	8,333	0.053	1-Apr-14				
				28-May-14	6,02,847	Rights Issue Allotment	6,11,180	2.50
				13-Jun-14	-6,11,180	Sale	-	-
				4-Jul-14	3,693	Purchase	3,693	0.02
				11-Jul-14	6,597	Purchase	10,290	0.04
				1-Aug-14	11,144	Purchase	21,434	0.09
				8-Aug-14	6,000	Purchase	27,434	0.11
				5-Sep-14	9,205	Purchase	36,639	0.15
				24-Oct-14	8,383	Purchase	45,022	0.18
				31-Oct-14	8,009	Purchase	53,031	0.22
				7-Nov-14	6,839	Purchase	59,870	0.25
				14-Nov-14	21,400	Purchase	81,270	0.33
				21-Nov-14	25,964	Purchase	1,07,234	0.44
				28-Nov-14	4,104	Purchase	1,11,338	0.46
				12-Dec-14	3,711	Purchase	1,15,049	0.47
				19-Dec-14	1,631	Purchase	1,16,680	0.48
				16-Jan-15	2,257	Purchase	1,18,937	0.49
23-Jan-15	36,813	Purchase	1,55,750	0.64				
	1,55,750	0.64	31-Mar-15			1,55,750	0.64	

\* Date represents the date of the statement of Beneficial positions of the members as furnished by the depositories other than in the case of Rights Issue and ESOS Allotments, where the date represents the date of allotment.

# Ramco Systems Limited, INDIA

## (v) Shareholding of Directors and Key Managerial Personnel:

### (a) Shareholding of Directors

Sl. No.	Name	Shareholding at the beginning (01-04-14)/end of the year(31-03-15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri P R Ramasubrahmaneya Rajha	3,62,469	2.28	1-Apr-14	1,81,234	Rights Issue Allotment	5,43,703	2.23
				28-May-14				
		5,43,703	2.23	31-Mar-15				
2	Shri P R Venketrama Raja	21,44,961	13.52	1-Apr-14	10,72,480	Rights Issue Allotment	32,17,441	13.19
				28-May-14				
		32,17,441	13.19	31-Mar-15				
3	Shri A V Dharmakrishnan	2,484	0.02	1-Apr-14	1,242	Rights Issue Allotment	3,726	0.02
				28-May-14				
		3,726	0.02	31-Mar-15				
4	Shri M M Venkatachalam	NIL	NIL	N.A	N.A	N.A	NIL	NIL
5	Shri V Jagadisan	NIL	NIL	N.A	N.A	N.A	NIL	NIL
6	Shri R S Agarwal	NIL	NIL	N.A	N.A	N.A	NIL	NIL
7	Shri S S Ramachandra Raja (Till 13th August 2014)	30,158	0.19	1-Apr-14			30,158	0.12
		30,158	0.12	31-Mar-15				
8	Shri N K Shrikantan Raja (Till 13th August 2014)	6,702	0.04	1-Apr-14			6,702	0.03
		6,702	0.03	31-Mar-15				
9	Smt. Soundara Kumar	NIL	NIL	N.A	N.A	N.A	NIL	NIL

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

Sl. No.	Name	Shareholding at the beginning (01-04-14)/end of the year(31-03-15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Shri Virender Aggarwal Chief Executive Officer	1,00,000	0.63	1-Apr-14	1,00,000	Rights Issue Allotment	2,00,000	0.82
				28-May-14				
				6-Aug-14				
		2,97,573	1.22	31-Mar-15	97,573	ESOS Allotment	2,97,573	1.22

Sl. No.	Name	Shareholding at the beginning (01-04-14)/end of the year(31-03-15)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2	Shri R Ravi Kula Chandran Chief Financial Officer	550	0.00	1-Apr-14				
				28-May-14	275	Rights Issue Allotment	825	0.00
				27-Aug-14	12,286	ESOS Allotment	13,111	0.05
				4-Nov-14	4,344	ESOS Allotment	17,455	0.07
		17,455	0.07	31-Mar-15			17,455	0.07
3	Shri G Venkatram* Company Secretary	NIL	NIL	1-Apr-14	NIL	N.A	NIL	NIL
		NIL	NIL	31-Mar-15			NIL	NIL
4	Shri G Karthikeyan** Company Secretary	NIL	NIL	1-Apr-14	NIL	N.A	NIL	NIL
		NIL	NIL	31-Mar-15			NIL	NIL

\* Resigned w.e.f. 6th February 2015

\*\*Joined w.e.f. 2nd March 2015

#### V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	109.90	3,550.00	-	3,659.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.51	-	1.51
<b>Total (i+ii+iii)</b>	<b>109.90</b>	<b>3,551.51</b>	<b>-</b>	<b>3,661.41</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	454.29	1,130.14	-	1,584.43
Reduction	(538.53)	(1,731.51)	-	(2,270.04)
<b>Net Change</b>	<b>(84.24)</b>	<b>(601.37)</b>	<b>-</b>	<b>(685.61)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25.66	2,950.00	-	2,975.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.14	-	0.14
<b>Total (i+ii+iii)</b>	<b>25.66</b>	<b>2,950.14</b>	<b>-</b>	<b>2,975.80</b>

# Ramco Systems Limited, INDIA

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(in Rs.)

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

**Note:** Shri P R Venketrama Raja is also the Vice Chairman & Managing Director of Ramco Industries Ltd. from where he draws remuneration and hence his aggregate remuneration drawn from both the Companies shall be limited to the higher of 5% of the net profits of the Company or Ramco Industries Ltd.

### B. Remuneration to other Directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Shri P R Ramasubrahmaneya Rajha	Shri M M Venkatachalam	Shri V Jagadisan	Shri A V Dharmakrishnan	Shri R S Agarwal	Shri S S Ramachandra Raja*	Shri N K Shrikantan Raja*	
1	Independent Directors								
	Fee for attending board / committee meetings	-	45,000	40,000	-	25,000	-	20,000	1,30,000
	<b>Total (1)</b>	-	<b>45,000</b>	<b>40,000</b>	-	<b>25,000</b>	-	<b>20,000</b>	<b>1,30,000</b>
2	Other Non Executive Directors								
	Fee for attending board / committee meetings	37,500	-	-	37,500	-	10,000	-	85,000
	Others - Stock options granted during the year	-	-	-	#	-	-	-	-
	<b>Total (2)</b>	<b>37,500</b>	-	-	<b>37,500</b>	-	<b>10,000</b>	-	<b>85,000</b>
	<b>Total (B) = (1+2)</b>	<b>37,500</b>	<b>45,000</b>	<b>40,000</b>	<b>37,500</b>	<b>25,000</b>	<b>10,000</b>	<b>20,000</b>	<b>2,15,000</b>
	<b>Overall Ceiling as per the Act</b>	1% of the net profit + Sitting Fees							
	<b>Total Managerial Remuneration (A+B)</b>								<b>13,81,400**</b>

\* Till 13th August 2014

# Refer details under heading "Details of options granted in Financial Year 2014-15 to" in Annexure – D of the Board of Directors Report

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

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:**

(In Rs.)

SI. No.	Particulars of Remuneration	Shri R Ravi Kula Chandran, CFO	Shri G Venkatram Company Secretary*	Shri G Karthikeyan, Company Secretary**	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,24,583	10,83,191	1,03,382	68,11,156
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	57,09,147	11,204	-	57,20,351
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option granted during the year	Refer details under heading "Details of options granted in Financial Year 2014-15 to" in Annexure – D of the Director's Report	-	-	-
3	Others, Retirement benefits	5,82,540	86,116	5,490	6,74,146
	<b>Total</b>	<b>1,19,16,270</b>	<b>11,80,511</b>	<b>1,08,872</b>	<b>1,32,05,653</b>

Note: Shri Virender Aggarwal, Chief Executive Officer is an employee of Ramco Systems Pte., Ltd. Singapore, a subsidiary of the Company, where his remuneration was USD1.153 million (Rs.69.89 million) (including gain of USD 0.217 million (Rs.13.15 million) on exercise of stock options and USD 0.018 million (Rs.1.09 million) towards retirals). He did not draw any remuneration from Ramco Systems Ltd., India. In regard to stock options granted to him, refer details under heading "Details of options granted in Financial Year 2014-15" in Annexure – D of the Board of Directors Report.

\* resigned w.e.f 6th February 2015

\*\* Joined w.e.f 2nd March 2015

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

Place : Chennai

Date : 29<sup>th</sup> May 2015

For and on Behalf of the Board  
**P R RAMASUBRAHMANEYA RAJHA**  
 CHAIRMAN

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

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31st March 2015).

#### (A) Conservation of Energy:

- (i) Steps taken or impact on conservation of energy;
  - Migrated from conventional lightings system to LED based energy efficient system for part of the Corporate office at Adyar.
  - Consolidated several old & low configuration servers to reduce server footprint in the Data centre. This has enabled to improve performance of the servers, user experience, reduce server management efforts & AMC costs.
- (ii) Steps taken by the company for utilizing the alternate sources of energy; - NIL
- (iii) Capital investment on energy conservation equipments; - The Company has spent Rs.1.65 million during the year as Capital Investment on energy conservation equipments

#### (B) Technology Absorption:

- (i) Efforts made towards technology absorption:
  - Introduced the 'Chrysalis' initiative as part of product development, according highest priority to user experience. Designed rich user action HUBs, for critical business process for Accounts Payable and Accounts Receivables, by which all the required information are available in a single place, without navigating multiple transactions.
  - Enhanced and enriched the Mobility framework, the Minnal Platform, and Decision Works Platform.
  - Enabled the use of all the mobile transaction across the multiple mobile platforms (iPhone / android).
  - Incorporated context aware capabilities into ERP solutions.
  - Developed Goal Management, New Performance Management, PMS Dashboard, Talent Pool & Tagging / Tag Cloud, Organisational Hierarchy Chart, Onboarding Portal & Succession Planning in HCM Solution.
  - Released Australia & New Zealand Payroll and related statutory.
  - Productionized Flight Contracts & Billing Process in MRO solution.
  - Developed Statutory requirements in Aviation Financials for new regions such as Thailand, Malaysia, Philippines.
  - Released barcode driven automation functions for MRO solution.
- (ii) Benefits derived:
  - Expansion of Ramco offerings into more countries, domains and verticals.
  - Enhance market competitiveness through key differentiators in product usability and efficiency enablers and making available standard functionalities to address more industry segments.
  - Ability to engage suitable business partners in delivering and implementing the solution
  - Enablement of compliance to statutory & regulatory requirements for different geographies.
- (iii) Imported technology - NIL
- (iv) Expenditure on R&D (Refer Schedule 6 to R&D Accounts) (Rs. Mln.)

Particulars	Amount
Capital	1.64
Recurring	604.93
Total	606.57
Total R&D expenditure as a percentage of total turnover	27%

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

Foreign Exchange Earned in terms of actual inflows (Rs. mln)	: 1,207.78
Foreign Exchange Outgo in terms of actual outflows (Rs. mln)	: 147.76

**For and on Behalf of the Board**  
**P R RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

Place : Chennai  
Date : 29<sup>th</sup> May 2015

**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 2015:**

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

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

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

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

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

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

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



## Ramco Systems Limited, INDIA

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

### Details of options granted, vested and exercised as on 31st March 2015:

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)
14th December 2003	4,64,500	3 years	Rs.284 per option*	37,975 shares*	525 exercisable till 13th December 2016
1st December 2005	9,200	3 years	Rs.266 per option	Nil	Nil
4th October 2006	2,19,800	3 years	Rs.177 per option	Nil	1,994 exercisable till October 2019
14th 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.

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

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

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

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

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

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

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

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

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

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

**Details of options granted, vested and exercised as on 31st March 2015:**

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)
1st December 2005	1,00,000	4 years	Rs.315 per option	Nil	Nil
4th October 2006	7,47,350	4 years	Rs.177 per option	1,500 shares	Nil
14th July 2007	3,00,500	4 years	Rs.163 per option	Nil	Nil
31st October 2007	1,62,000	4 years	Rs.156 per option	Nil	Nil
6th February 2008	20,000	4 years	Rs.165 per option	Nil	Nil
7th 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
25th June 2012	50,000	Rs.143 per share
23rd August 2012	25,000	Rs.138 per share
7th November 2012	50,000	Rs.125 per share
29th July 2013	95,000	Rs.87 per share
7th March 2014	65,000	Rs.241 per share
27th March 2014	20,000	Rs.204 per share
<b>Total</b>	<b>3,05,000</b>	

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

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

Details of options vested, exercised, lapsed etc for ESOS 2008 are given in the table below titled "Status of live ESOS under which options have been granted, as at 31st March 2015"

### (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.

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.

During the year 2014-15, the Compensation Committee granted the following stock options on 8th August 2014:

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

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

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

Details of options vested, exercised, lapsed etc for ESOS 2009 Plan-A are given in the table below titled "Status of live ESOS under which options have been granted, as at 31st March 2015".

#### 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.

During the year 2014-15, the Compensation Committee granted the following stock options on 8th August 2014:

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

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

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

Details of options vested, exercised, lapsed etc., for ESOS 2009 Plan-B are given in the table below titled "Status of live ESOS under which options have been granted, as at 31st March 2015".

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

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

During the year 2014-15, the Compensation Committee/ Nomination & Remuneration Committee had granted the following stock options on various dates :

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

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

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

**Status of live ESOS under which options have been granted, as at 31st March 2015:**

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013
1	Options Granted + Rights Issue adjustment	14,63,444	7,01,582	9,77,069	9,25,250
2	Exercise Price – Pricing Formulae (Price per share)	31,833 options @ Rs.136 36,721 options @ Rs.119 78,424 options @ Rs.83 68,195 options @ Rs.230 20,983 options @ Rs.194 1,32,580 options @ Rs.51	20,983 options @ Rs.93 20,983 options @ Rs.58 9,440 options @ Rs.110 25,000 options @ Rs.10 1,03,991 options @ Rs.90 1,30,000 options @ Rs.356	25,000 options @ Rs.10 18,885 options @ Rs.110 1,76,299 options @ Rs.90 1,75,000 options @Rs.10 1,13,750 options @ Rs.356	16,750 options @ Rs.10 5,88,750 options @ Rs.155 22,500 options @ Rs.250 25,000 options @ Rs.340 7,000 options @ Rs.348 1,15,000 options @ Rs.356 7,500 options @ Rs.426 15,000 options @ Rs.431 17,500 options @ Rs.462 40,000 options @ Rs.482 27,500 options @ Rs.679 5,250 options @ Rs.696
3	Options Vested	8,09,567	3,61,917	4,29,409	-
4	Options Exercised	5,89,553	1,83,877	2,13,947	-
5	Options Lapsed	5,05,155	2,07,308	2,54,188	37,500
6	Total Number of Shares arising as a result of exercise of Options	5,89,553	1,83,877	2,13,947	-
7	Total number of options in force	3,68,736	3,10,397	5,08,934	8,87,750
8	Unvested Options	1,48,722	1,32,357	2,93,472	8,87,750
9	Total money realized by exercise of options	3,55,62,263	1,77,94,206	2,03,61,310	-

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Details of options granted in Financial Year 2014-15 to:				
Key Managerial Personnel	<p>ESOS 2009 - Plan A 25,000 Options, ESOS 2009 - Plan B 25,000 Options, ESOS 2013 50,000 Options to Shri Virender Aggarwal, CEO and ESOS 2009 - Plan B 12,500 Options, ESOS 2013 12,500 Options to Shri R Ravi Kula Chandran, CFO.</p> <p>Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus the following additional stock options were granted:</p> <p>ESOS 2009 - Plan A 2,949 Options and ESOS 2009 - Plan B 2,949 Options to Shri Virender Aggarwal, CEO and ESOS 2009 - Plan B 204 Options, ESOS 2009 – Plan A 136 Options and ESOS 2008 440 Options to Shri R Ravi Kula Chandran, CFO.</p>			
Non Executive Director	<p>ESOS 2009 - Plan B 18,750 options, ESOS 2013 56,250 options to Shri A V Dharmakrishnan</p> <p>Consequent to the completion of Rights Issue 2013, the outstanding stock options on the record date for Rights Issue 2013 ie., 23rd April 2014 were increased by a factor of 0.049156 per option and the exercise price of the stock options was revised downwards by multiplying the same with the factor of 0.9531, thus 1,966 options were granted under ESOS 2009 Plan A to Shri A V Dharmakrishnan.</p>			
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Nil			
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	ESOS 2008	ESOS 2009 Plan A	ESOS 2009 Plan B	ESOS 2013
Vesting Schedule	4 Years	3 Years #	3 Years #	3 Years
Lock-In	Nil	Nil	Nil	Nil

# The Compensation Committee of the Board of Directors has approved 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 as 1 year.

**Note:** The employee compensation cost on account of options granted is accounted on intrinsic value method. The fair value of the option (using Black Scholes Merton model) for the year amounts to Rs. 119.87 mln. If such costs were computed using fair value of the option, it would have been higher by Rs.68.83 mln. (after giving effect to Rs.51.24 mln. already considered in the Statement of Profit and Loss for the year). The standalone profit would have turned into a loss of Rs.49.31 mln. (after ignoring the MAT provision of 3.75 mln.) On this basis, the basic & diluted EPS would have been Rs.(2.15). The weighted average risk free interest rate of 8%, weighted average expected life of options of 10 years, weighted average volatility of 5.84% and weighted average market price of Rs.337.33 have been assumed in arriving at the above mentioned fair value of the options. The weighted average exercise price of options granted is Rs.396.75 when the exercise price is equal to market price and Rs.114.36 when it is less than market price. The weighted average fair value of options granted is Rs.159.18 when the exercise price is equal to market price and Rs.177.23 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 2013-14 and 34,125 equity shares remained with the Trust as on 31st March 2014. SEBI had, vide its circular No. LAD-NRO/GN/2014-15/16/1729 dated 28th October 2014 made changes in the administration of employee benefit schemes by Trusts involving securities of listed companies, whereby any scheme where securities are not covered under an Employee Stock Option Scheme need to be either aligned by way of framing a new scheme or the shares needs to be sold in the market on or before 30th June 2014. In order to comply with the said circular, the Trust had sold the balance of 34,125 shares held by it in the market @ Rs.205 per share. The Trust owed the Company Rs.49.34 lacs towards loan taken by it earlier and was repaid by its from out of the proceeds of the sale of shares. The Trust was left with a surplus of Rs.24.03 lacs, which was transferred by it to the Company for utilizing for any welfare activity of the employees of the Company. In view of the Trust not holding any assets ie., shares / cash / bank balances, the Trust ceased to exist effective 21st February 2015.

**(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.

Place : Chennai  
Date : 29<sup>th</sup> May 2015

**For and on Behalf of the Board**  
**P R RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN



### 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 2015.

#### 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 2015, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

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 as on 31st March 2015

Sl. No.	Name of the Director	DIN	Category (as per Clause 49 of the Listing Agreement)
1	Shri P R Ramasubrahmaneya Rajha	00331357	Non Executive Promoter Director
2	Shri P R Venketrama Raja	00331406	Executive Promoter Director
3	Shri M M Venkatachalam	00152619	Non Executive Independent Director
4	Shri V Jagadisan	00058769	Non Executive Independent Director
5	Shri A V Dharmakrishnan	00693181	Non Executive Director
6	Shri R S Agarwal	00012594	Non Executive Independent Director
7	Smt. Soundara Kumar (w.e.f 27th March 2015)	01974515	Non Executive Independent Director

Note: (i) Shri P R Ramasubrahmaneya Rajha, Chairman is the father of Shri P R Venketrama Raja, Vice Chairman and Managing Director.

(ii) Shri S S Ramachandra Raja, Director & Shri N K Shrikantan Raja, Director had resigned on 13th August 2014.

The Number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31st March 2015 are given below

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

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

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

## b) Meetings and Attendance

The Board met four times during the year on 22nd May 2014, 27th July 2014, 6th November 2014 and 4th February 2015. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows:

Name of the Director	Attendance	
	Board Meetings	Last AGM
Shri P R Ramasubrahmaneya Rajha	4	Yes
Shri P R Venketrama Raja	4	Yes
Shri M M Venkatachalam (Chairman of the Audit Committee)	4	Yes
Shri V Jagadisan	3	Yes
Shri A V Dharmakrishnan	4	Yes
Shri R S Agarwal	4	Yes
Shri S S Ramachandra Raja (Till 13th August 2014)	2	Yes
Shri N K Shrikantan Raja (Till 13th August 2014)	2	Yes
Smt.Soundara Kumar (w.e.f. 27th March 2015)	N.A	N.A

## 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 of the Board comprises of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri M M Venkatachalam, Chairman	4
2.	Shri V Jagadisan	4
3.	Shri A V Dharmakrishnan (w.e.f 27th July 2014)	2
4	Shri S S Ramachandra Raja (Till 13th August 2014)	-

During the year the Committee met four times, viz., 20th May 2014, 22nd July 2014, 4th November 2014 and 4th February 2015.

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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.

2/3rd of the members of the Audit Committee are Independent Directors as required by the Code of Corporate Governance.

## b) Brief description of terms of reference

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 177 of the Companies Act, 2013, include the following:

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

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by the Listing Agreement and Companies Act, 2013.

## 3. COMPENSATION COMMITTEE (UPTO 4TH FEBRUARY 2015)

The Compensation Committee which was constituted in compliance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 consisted of the following members:

SI. No.	Name of the Director	No. of meetings attended
1	Shri M M Venkatachalam, Chairman	5
2	Shri P R Ramasubrahmaneya Rajha	5
3	Shri V Jagadisan	5

During the year the Committee met five times viz., 16th July 2014, 8th August 2014, 16th September 2014, 6th November 2014 and 22nd November 2014.

The functions of the Committee was combined with the existing scope of the Nomination and Remuneration Committee and the Compensation Committee was dissolved w.e.f. 4th February 2015.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### a) Composition

The erstwhile Remuneration Committee was rechristened as Nomination & Remuneration Committee by the Board in its meeting held on 22nd May 2014 to discharge the functions as envisaged by the Companies Act, 2013 and the Listing Agreement. The Nomination and Remuneration Committee of the Board comprises of the following Non-Executive Directors:

SI. No.	Name of the Director	No. of meetings attended
1	Shri M M Venkatachalam, Chairman	5
2	Shri V Jagadisan	6
3	Shri A V Dharmakrishnan (w.e.f. 27th July 2014)	5
4	Shri N K Shrikantan Raja (Till 13th August 2014)	1

During the year the Committee met six times, viz., 22nd May 2014, 6th November 2014, 4th February 2015, 5th February 2015, 6th March 2015 and 23rd March 2015.

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

The terms of reference include the following:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management and their removal.
- Formulation of Criteria for evaluation of Independent Directors and the Board
- Evaluation of the Directors' performance
- Formulating the criteria for determining qualification, positive attributes and independence of a Director and to recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
- Formulation of detailed terms and conditions of Share Based Employee Benefits Scheme, administration and supervision of the same.

**c) Nomination & Remuneration Policy:**

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

**d) Remuneration to the Directors:**

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

The non executive directors were paid the following sitting fees for attending the meetings of the board and the committees as follows:

Particulars	(Amount in Rs.) Per director per meeting
Board	5,000
Audit Committee	5,000
Stakeholders relationship Committee	2,500

**Note:**

Sitting fee for attending the Board and Audit Committee meetings has been increased to Rs.15,000 per meeting with effect from 20th April 2015. No sitting fees is payable for attending the meetings of any other Committees of the Board, unless approved by the Board.

**(i) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-15 is as follows:**

Name of the Director	Board Meeting	Committee Meeting	Total
	(Rs)	(Rs)	(Rs)
Shri P R Ramasubrahmaneya Rajha	20,000	17,500	37,500
Shri M M Venkatachalam	20,000	25,000*	45,000
Shri S S Ramachandra Raja (upto 13th August 2014)	10,000	-	10,000
Shri N K Shrikantan Raja (upto 13th August 2014)	10,000	10,000	20,000
Shri V Jagadisan	15,000	25,000*	40,000
Shri A V Dharmakrishnan	20,000	17,500	37,500
Shri R S Agarwal	20,000	5,000*	25,000

\* Includes fee of Rs.5,000 for the meeting of Independent Directors.

## Ramco Systems Limited, INDIA

### (ii) Remuneration to Managing Director

The remuneration of Shri P R Venketrama Raja, Managing Director is governed by the resolution passed by the shareholders at the Annual General Meeting held on 28th July 2014 for a period of three years with effect from 22nd May 2014 and it is equivalent to 5% of the Net Profits of the Company and in case of inadequacy of profits, as per Section II, Part II of Schedule V of the Companies Act, 2013. Shri P R Venketrama Raja is also the Vice Chairman & Managing Director of Ramco Industries Ltd. from where he draws remuneration and hence his aggregate remuneration drawn from both the Companies shall be limited to the higher of 5% of the net profits of the Company or Ramco Industries Ltd. During the year, the Nomination & Remuneration Committee (formerly Remuneration Committee) has fixed a Basic Pay of Rs.7,20,000 p.a., allowances / perquisites of Rs.3,60,000 p.a. and other applicable statutory contributions.

### (iii) Stock options to Non-Executive Director

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

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

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

Under section 2(78) of the Companies Act, 2013, “remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites under the Income-tax Act, 1961. In accordance with section 17(2) of the Income tax Act, 1961, the difference between the market price of the securities on the date on which the stock option is exercised and the price at which the stock options were granted is considered as perquisite. Hence, the value of perquisite if any arising at the time of exercise of the stock options by Shri A V Dharmakrishnan would amount to

remuneration and if it exceeds the limit specified under Section 197(1) of the Companies Act 2013, the same would require approval of the Central Government. The approval of the Members is sought for the same and the details are furnished in the Notice of Annual General Meeting, being sent to the Members along with this Annual Report.

iv) The details of the shares held by the Directors of the Company as at 31st March 2015 are as follows:

Name of the Director	No. of Shares Held	Percentage to Capital
Shri P R Ramasubrahmaneya Rajha	5,43,703	2.23
Shri P R Venketrama Raja	32,17,441	13.19
Shri M M Venkatachalam	Nil	Nil
Shri V Jagadisan	Nil	Nil
Shri A V Dharmakrishnan	3,726	0.02
Shri R S Agarwal	Nil	Nil
Smt. Soundara Kumar	Nil	Nil
<b>Total</b>	<b>37,64,870</b>	<b>15.43</b>

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company attaches highest importance to Investor Relations. The erstwhile Shareholders Committee was rechristened as Stakeholders Relationship Committee by the Board in its meeting held on 22nd May 2014 to discharge the functions as envisaged by the Companies Act, 2013 and the Listing Agreement to focus on the prompt and effective redressal of the Shareholders grievances and strengthening of Investor Relations.

### a) Composition

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

Sl. No	Name of the Director	No. of Meetings attended
1	Shri P R Ramasubrahmaneya Rajha, Chairman of the Committee	7
2	Shri P R Venketrama Raja	6
3	Shri A V Dharmakrishnan (w.e.f. 27th July 2014)	3
4	Shri N K Shrikantan Raja (upto 13th August 2014)	4

During the year the Committee met seven times viz., 22nd April 2014, 20th May 2014, 5th June 2014, 4th July 2014, 16th October 2014, 1st December 2014 and 21st February 2015.

### b) Brief description of terms of reference

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

### c) Status of Shareholders' Grievances

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

During the year, the Company has received 8 complaints and they were resolved to the satisfaction of shareholders. There were no Shareholders' Grievances pending as at 31st March 2015.

### d) Name and designation of Compliance Officer

Shri G Venkatram, Company Secretary was the Compliance Officer as per Clause 47(a) and (f) of the Listing Agreement till 6th February 2015. Shri G Karthikeyan, Company Secretary, is the Compliance Officer effective 2nd March 2015.

# Ramco Systems Limited, INDIA

## 6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

### i) ALLOTMENT COMMITTEE

#### a) Composition

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

Sl. No	Name of the Director	No. of Meetings attended
1	Shri M M Venkatachalam	11
2	Shri V Jagadisan	12
3	Shri P R Venketrama Raja	11

During the year the Committee met Twelve times, viz., 6th August 2014, 27th August 2014, 16th September 2014, 1st October 2014, 21st October 2014, 4th November 2014, 22nd November 2014, 4th December 2014, 2nd January 2015, 5th February 2015, 6th March 2015 and 23rd March 2015 for allotting shares to employees pursuant to exercise of Employee Stock Option Schemes.

#### b) Brief description of terms of reference

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

### ii) RIGHTS ISSUE 2013 COMMITTEE

#### a) Composition

The Board of Directors has constituted a Rights Issue 2013 Committee with the following Members:

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

During the year the Committee met two times on 9th April 2014 and 28th May 2014.

#### b) Brief description of terms of reference

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

### iii) FUND RAISING COMMITTEE

#### a) Composition

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

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

During the year, the Committee met once on 6th November 2014.

#### b) Brief description of terms of reference

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

## 7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 4th February 2015 to review the performance of non - Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and access the quality, quantity and timeliness of flow of information between the Company management and the Board.

As required under Clause 49(II)(B)(7) of the Listing Agreement, the details of the Familiarisation Programme for Independent Directors is available at the Company's website, at the following link at <http://www.ramco.com/investor-relations/independent-directors-familiarisation-programme.pdf>

## 8. GENERAL BODY MEETINGS

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

Date	Meeting	Location	Time
2nd August 2012	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 AM
29th July 2013	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	12.30 PM
28th July 2014	AGM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108	11.45 AM

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

Date of the AGM	Subject Matter of the Special Resolution
28th July 2014	To amend the Articles of Association, for enabling appointment of Managing Director as Chairperson / Vice Chairman of the Company as well.
	Re-appointment of Shri P R Venketrama Raja as Managing Director for a period of three years effective from 22nd May 2014.
	To authorise the Company to borrow, the maximum amount so outstanding not to exceed Rs.5,000 million
	To maintain the Register of Members and other Statutory Registers at the Company's Corporate Office at Chennai.
29th July 2013	Two special resolutions in relation to formulation of Employee Stock Option Scheme 2013.
2nd August 2012	No Special Resolution was passed.

## 9. POSTAL BALLOT

On 12th September 2014, a Special Resolution was passed by the shareholders through postal ballot for the below mentioned items:

- To authorise the Board to Create, offer, issue and allot Equity Shares or any other Securities to the tune of up to Rs.5,000 Million
- To approve the collective investment limit of Foreign Portfolio Investors beyond 24% and upto 49% of the Paid-up capital of the Company
- To approve the formulation of new ESOS named Employee Stock Option Scheme 2014(ESOS 2014) and grant of options to Employees of the Company to an extent not exceeding 10,00,000 equity shares.
- To approve grant of options under ESOS 2014 to employees of Subsidiary Companies.

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 conduct the Postal Ballot process.

The Special Resolution as set out in the Notice dated 27th July 2014 was approved by the Members



# Ramco Systems Limited, INDIA

The results of the Postal Ballot are appended below:

Sl. No.	Particulars	Resolution (i)	Resolution (ii)	Resolution (iii)	Resolution (iv)
A.	Total No of Shares	2,38,74,878	2,38,74,878	2,38,74,878	2,38,74,878
B	Total number of shares for which postal ballots / electronic votes were received	1,85,13,556	1,85,13,557	1,85,13,557	1,85,13,557
C	Total No of shares for voting considered invalid	3,365	3,365	3,365	3,365
D	Total number of valid shares	1,85,10,191	1,85,10,192	1,85,10,192	1,85,10,192
E	Total No of shares for which the Postal ballots/electronic votes assented to the resolution	1,85,10,186	1,85,10,192	1,85,10,167	1,85,10,167
F	Total No of shares for which the Postal ballots/electronic votes dissented to the resolution	5	0	25	25
G	Share of votes that assented to the resolution	99.99%	100%	99.99%	99.99%

## 10. CODE OF CONDUCT

During the year the Board of Directors of the Company has renamed the Code of Conduct laid down for all the Board Members and Senior Management of the Company as Code of Conduct and Business Ethics and approved a revised code and the same has been posted on the website of the Company; [www.ramco.com](http://www.ramco.com), in compliance with the provisions of Listing Agreement.

This Code 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 in accordance with the articles of the Company.
- ii. Act in good faith in order to promote the objects of the company and in the best interests of its employees, shareholders, community and for the protection of environment.
- iii. Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv. Maintain a high standard of probity in his relations with the Company, its Subsidiaries, employees, contractors, suppliers and customers and shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company or its Subsidiaries.
- v. Maintain confidentiality of the information relating to the Company that comes to his knowledge as Director, both during his Directorship and thereafter as well.
- vi. Always conduct himself in a manner that befits his position.
- vii. Assist the Company to observe the provisions of the Company law and other laws applicable to the Company, both in letter and in its spirit.
- viii. Shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- ix. Independent Directors shall abide by the Code for Independent Directors as specified by Schedule IV of the Companies Act, 2013 in addition to the above.

### 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 from using 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 2015. 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 2015, 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. Consequent to the issuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 effective 15th May 2015, the Company had formulated a Code of Conduct to regulate Insider Trading and Code of Fair Disclosure and intimated the same to the stock exchanges on 15th May 2015. The Code has since been ratified by the Board in its meeting held on 29th May 2015. This Code is applicable to all the Designated Persons. The said Code is available in the website of the Company.

## 11. 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 in this regard 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 a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee.

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement prescribed by the Stock Exchanges. The status of adoption of the Non-Mandatory requirements, pursuant to Annexure – XIII is given below:

- a. The Company's financial statements are unqualified for the year 2014-15.
- b. The Company has appointed separate persons for the posts of Chairman, Managing Director and CEO.
- c. The Internal auditor directly reports to the Audit Committee.

## 12. 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(IX) of the Listing Agreement in relation to the Annual Financial Statements for the year 2014-15.

## 13. INFORMATION REGARDING UNCLAIMED SHARES

The Company has no unclaimed shares that are required to be transferred to Unclaimed Suspense Account. Accordingly, Clause 5A I & 5A II of the Listing Agreement is not applicable to the Company.

# Ramco Systems Limited, INDIA

## 14. 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 normally in the newspapers viz., 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](http://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](http://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](mailto:investorcomplaints@ramco.com) to enable the investors to lodge their complaints. The investors are requested to kindly make use of the same.

## B. GENERAL SHAREHOLDER INFORMATION

### 1. Details of the forthcoming Eighteenth Annual General Meeting

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1.	Date	6th August 2015
2.	Day	Thursday
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

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### 2. Financial Calendar for 2015-16 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2015-16 are as under:

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Financial Results for the Quarter ending 30th June 2015	Between 15th July & 14th August 2015
Financial Results for the Quarter ending 30th September 2015	Between 15th October & 14th November 2015
Financial Results for the Quarter ending 31st December 2015	Between 15th January & 14th February 2016
Financial Results for the year ending 31st March 2016	Between 15th May & 30th May 2016
Nineteenth Annual General Meeting of the Company, for the year ending 31st March 2016	July / August, 2016

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### 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 6th August 2015 i.e. on the date of the Eighteenth 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
BSE Limited	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai – 400 001	532370
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	RAMCOSYS

\* pursuant to SEBI Exit order No.WTM/RKA/MRD/47/2015 dated 14th May 2015 allowing the exit of Madras Stock Exchange Ltd. as a Stock Exchange, the shares of the Company have ceased to be listed with Madras Stock Exchange Ltd. with effect from the above said order.

In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2015-16 have been paid to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

### 5. 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.

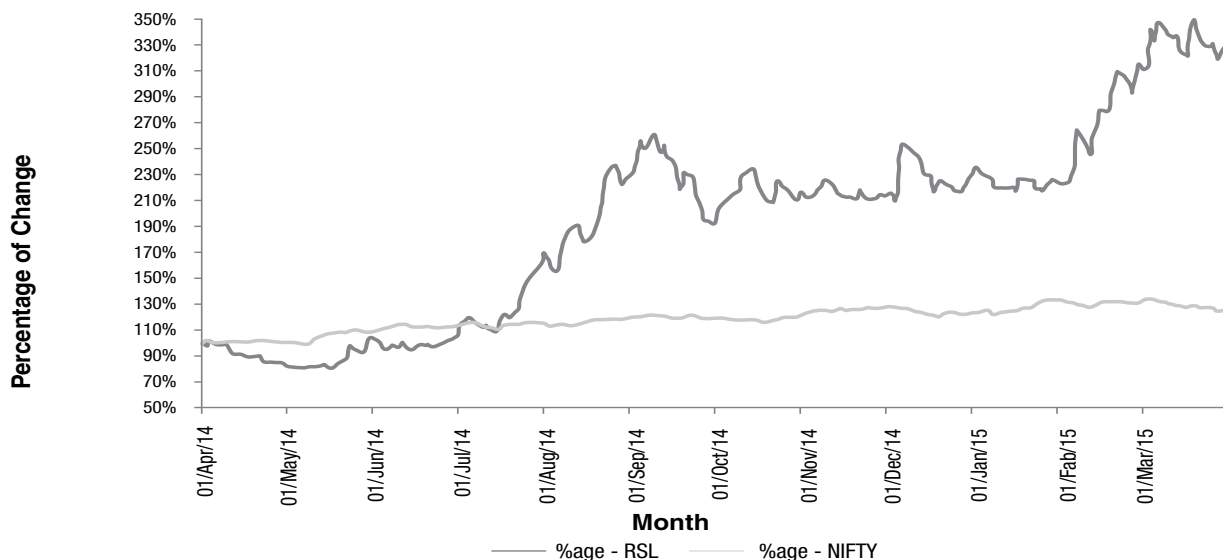
With the MCA 21 initiative of the Ministry of Corporate Affairs going live, the Company's Master Data information and details of the Compliance filings made by the Company with the Ministry of Corporate Affairs, Government of India, may be viewed by the Members and other Stakeholders at [www.mca.gov.in](http://www.mca.gov.in)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

### 6. Details of the Share price movements in the National Stock Exchange of India Ltd. and BSE Ltd.

Sl. No.	Month	NSE			BSE		
		Volume	High	Low	Volume	High	Low
1	Apr-14	2,62,420	200.00	162.45	2,90,239	206.05	162.50
2	May-14	3,91,248	208.60	158.00	1,62,975	212.85	156.25
3	Jun-14	3,30,849	211.05	186.25	6,93,216	213.60	179.90
4	Jul-14	3,73,190	340.65	215.75	3,20,121	341.10	213.00
5	Aug-14	3,44,853	474.45	307.50	2,61,362	494.50	292.50
6	Sep-14	3,06,738	523.50	386.35	1,21,317	530.25	370.00
7	Oct-14	1,40,276	472.35	410.30	88,302	486.85	377.15
8	Nov-14	3,15,074	452.35	421.50	46,989	474.75	412.10
9	Dec-14	3,31,854	507.25	419.10	1,20,939	548.00	417.00
10	Jan-15	2,18,263	466.70	430.80	74,933	479.00	425.55
11	Feb-15	15,22,315	632.35	445.55	5,89,289	644.00	442.05
12	Mar-15	6,66,940	716.40	627.95	2,21,488	747.00	619.00
<b>Total</b>		<b>52,04,020</b>			<b>29,91,170</b>		

# Ramco Systems Limited, INDIA

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



### 7. Registrar and Share Transfer Agent

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

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

### 8. 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 / Stakeholders Relationship Committee.

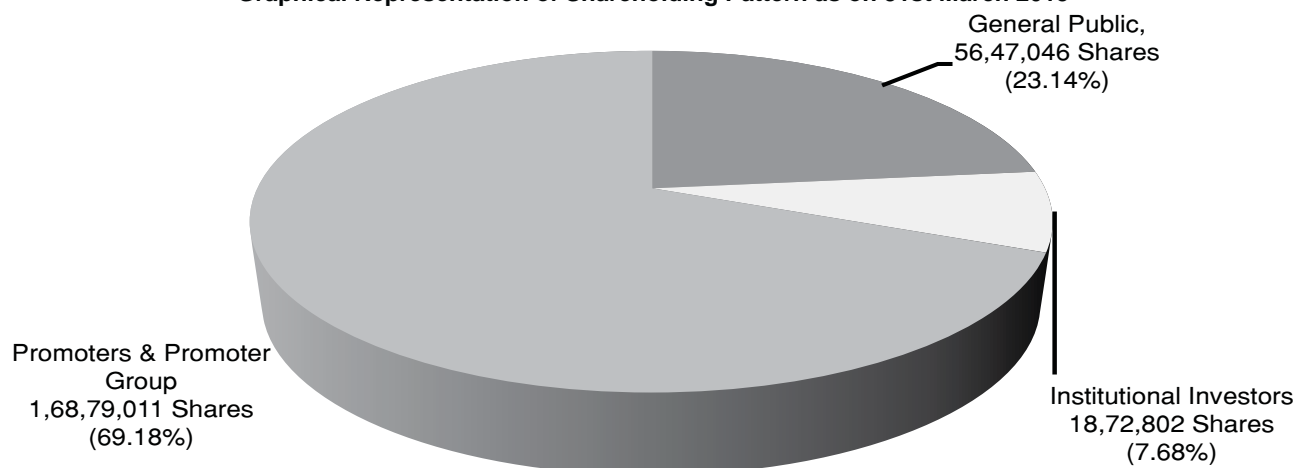
The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

**9. Shareholding Pattern and the Distribution of Shareholding as at 31st March 2015:**

Category of Shareholder	Number of Shareholders	Total Shares held	Shares in demat form	Percentage of holding
<b>(A) Promoters and Promoter Group</b>				
Individuals / Hindu Undivided Family	9	47,03,032	47,03,032	19.28
Bodies Corporate	8	1,21,75,979	1,21,75,979	49.90
Trusts	-	-	-	-
<b>Promoter shareholding (A)</b>	<b>17</b>	<b>1,68,79,011</b>	<b>1,68,79,011</b>	<b>69.18</b>
<b>(B) Non-Promoters Institutional Investors</b>				
Mutual Funds / UTI	4	5,32,517	5,32,517	2.18
Financial Institutions / Banks	4	24,950	24,800	0.10
Insurance Companies	1	5,971	5,971	0.02
Foreign Institutional Investors	5	3,68,706	3,68,706	1.51
Foreign Portfolio Investor (Corporate)	2	9,40,658	9,40,658	3.86
Sub Total	<b>16</b>	<b>18,72,802</b>	<b>18,72,352</b>	<b>7.68</b>
<b>General Public</b>				
Bodies Corporate	282	6,89,457	6,88,898	2.83
Indian Public	7,001	41,17,595	37,60,156	16.88
Others including HUF, NRIs, Foreign Nationals, Clearing Members etc	373	8,39,994	8,35,894	3.44
Sub Total	<b>7,656</b>	<b>56,47,046</b>	<b>52,84,948</b>	<b>23.14</b>
<b>Non-Promoters shareholding (B)</b>	<b>7,672</b>	<b>75,19,848</b>	<b>71,57,300</b>	<b>30.82</b>
<b>Total Shareholding (A)+(B)</b>	<b>7,689</b>	<b>2,43,98,859</b>	<b>2,40,36,311</b>	<b>100.00</b>

**Note:** The Allotment Committee of the Board of Directors at its meeting held on 23rd March 2015 has allotted 4,797 shares. However the said shares were listed with the stock exchanges only on 1st April 2015 and hence the change due to the said allotment is not reflected in the above Shareholding Pattern. If the above shares were considered, the total number of shares of the Company as on 31st March 2015 would be 2,44,03,656 and the promoters shareholding percentage would be 69.1659%.

**Graphical Representation of Shareholding Pattern as on 31st March 2015**



# Ramco Systems Limited, INDIA

The Distribution of Shareholding of the Company as at 31st March 2015 is as follows:

Sl. No.	Holding range	Number of shareholders	% Of total	Shares	% Of total
1	Between 1 and 100	4,740	61.65	2,00,068	0.82
2	Between 101 and 500	1,872	24.35	4,67,086	1.91
3	Between 501 and 1,000	423	5.50	3,23,687	1.33
4	Between 1,001 and 2,000	283	3.68	4,16,006	1.71
5	Between 2,001 and 3,000	96	1.25	2,42,426	0.99
6	Between 3,001 and 4,000	58	0.75	2,05,743	0.84
7	Between 4,001 and 5,000	39	0.51	1,80,556	0.74
8	Between 5,001 and 10,000	81	1.05	5,76,106	2.36
9	More than 10,000	97	1.26	2,17,87,181	89.30
	<b>Total</b>	<b>7,689</b>	<b>100.00</b>	<b>2,43,98,859</b>	<b>100.00</b>

## 10. Dematerialization of Shares and Liquidity

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

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

The annual custodial / issuer charges to the respective Depository for the financial year 2014-15 have been paid and for the financial year 2015-16 will be paid by the Company on receipt of the invoices.

As at 31st March 2015 2,40,36,311 equity shares representing 98.51% 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.

**11. 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 2015.

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

**13. Address & E-mail id for investors Correspondence, queries and grievances** : The Company Secretary & Compliance Officer  
No:64, Sardar Patel Road, Taramani, Chennai - 600 113.  
Phone: 044 - 2235 5558 Fax : 044 - 2235 5078  
e-mail:investorcomplaints@ramco.com  
(or)  
M/s. Cameo Corporate Services Limited  
(Unit: Ramco Systems Limited)  
Subramanian Building, No.1, Club House Road,  
Chennai - 600 002,  
Phone: 044 - 2846 0390 Fax: 044 - 2846 0129.

#### 14. 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 29th May 2015 from our Statutory Auditors, M/s. CNGSN & Associates LLP is given in Annexure G.

#### Annexure F

##### Declaration from the Vice Chairman & Managing Director and CEO (Under Clause 49(II)(E)(2) 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 2015.

**For RAMCO SYSTEMS LIMITED**

Place: Chennai  
Date : 29th May 2015

VIRENDER AGGARWAL  
CHIEF EXECUTIVE OFFICER

P R VENKETRAMA RAJA  
VICE CHAIRMAN & MANAGING DIRECTOR



### **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 2015, 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 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 LLP**

Chartered Accountants

Firm Registration No.004915S

**C N GANGADARAN**

Partner

Membership No.:11205

Place : Chennai  
Date : May 29, 2015

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

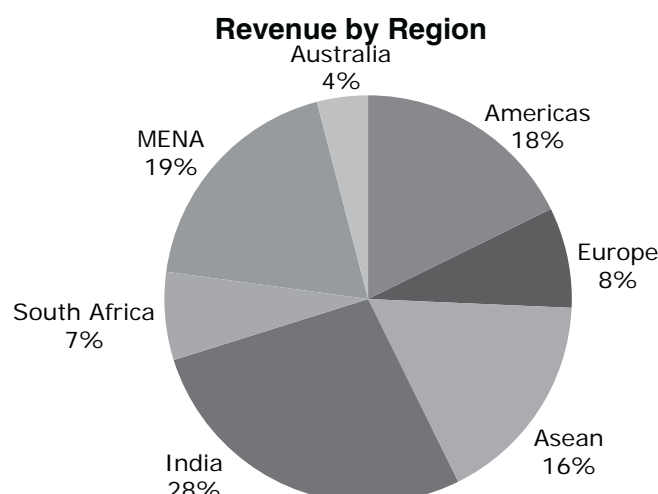
The global software industry has been transforming the way organizations, businesses, and even people coordinate and work. Its impact on the global economy can be gauged by the increase in innovations, technical progress, enhanced productivity, and the changing workforce.

The year 2014-15 has started off on a great note! From a R&D-centric technology focused product player to a market-savvy global cloud ERP player focused on Experimentation, Innovation, Customer Value, we have been moving up the transformational curve. Our three core products – Ramco ERP on Cloud, Ramco Aviation and Ramco HCM, continue to rack up strong growth and major customer wins, globally.

While global conglomerates continue to onboard Ramco Systems, we've also been witnessing significant traction in the domestic market, too. During the year we added some global giants like **Dabur** (FMCG major and India's largest Ayurvedic medicine manufacturer), **Norske Skog** (one of the largest producers of publication paper in the world), **Kerzner International** (leading international developer and operator of destination resorts); **Dynamic Aviation** (U.S.-based aviation company providing solutions to solutions to government and commercial organizations), amongst the others.

Our geographical revenue spread is showing a healthy mix with 72% coming from markets outside India. Newer markets such as Australia have shown good uptake for our cloud offerings and is touted to grow further in the coming years.

This FY, new order book showed a healthy growth of 23%, as compared to last financial year. The net profit after tax for the year stood at USD 2.09 million (Rs12.7cr). The revenue showed a healthy growth of 36% YoY (in dollar terms). The overall revenue of USD 59.47 million for FY 2014-15 from various regions is depicted as below:



On the domestic front, we continued to strengthen our foothold and have been adding marquee customers for our ERP and HCM offerings. In India we added names like Dabur and Delhi Duty Free, amongst the others.

While **Americas** showed a relatively slower growth, the company expects momentum to pick up speed in the coming financial year once the HR software is launched in the market. Multiple airlines, heli-operators including Able Aerospace, Dynamic Aviation, were added for Ramco Aviation Suite. Ramco HCM which is readying itself for a launch in US in FY 2015-16, saw its first set of lighthouse sites getting implemented.

**Middle East & Africa** showed the strongest growth across regions growing 97% YoY (in dollar terms) on revenue. This year, we acquired some very prestigious clients in the region including Kerzner International, Nesma Group, KhimjiRamdas, Sharaf DG, among others. The new kid on the block, Ramco ERP for Services also gathered momentum with addition of Halogen Securities and TASC Outsourcing.

While business continued to grow in the **Asean** region with brands like VOPAK, Bureau Veritas among others choosing Ramco, the highlight was the strengthening of Implementation framework. With the go-live of Malaysia Airlines on Ramco Aviation in a record time of 11 months and rolling out of Payroll for a US Fortune 10 company in record time, we have proved yet again the robust process and framework in place to address multi-country, large-scale implementations in record time.

While the deals continue to gain momentum, the availability of Ramco Payroll integrated with HCM for Asean, addressing countries including China, Philippines, Thailand, Taiwan, Indonesia, Singapore, Malaysia, is driving stronger pull from the market.

## Ramco Systems Limited, INDIA

With the addition of **Europe's** largest and world's leading provider of aerial services for mission-critical operations, as our customer, the region continues to be a key market for Ramco Aviation Suite.

Having set shop recently, **Australia** has gained a prominent share in the overall pie contributing to 4% of total revenue. The year witnessed the addition of one of the largest cloud ERP deals from Norske Skog. (Payroll for ANZ launched) Going forward, this will be a key market to look out for.

### Challenges

The dynamic nature of the enterprise software market throws up new challenges and opportunities at us. Constantly reading the trends and aligning the technology and product roadmap in line with market is key to sustaining the growth. With enormous amount of VC funding flowing into Cloud market, large legacy vendors are realizing that they need to invest in SMAC (Social, Mobile, Analytics and Cloud) to address the future enterprise needs. While technology changes continue to disrupt, the other big challenge remains in attracting the right talent. We have been investing in redefining the 'culture' to attract global experienced talent to join our organization.

The other area where we need to move and adapt quickly is simplifying user experience which is driving the cloud adoption. Globally, consumerization of IT is driving IT decision to the business user from the IT user. This has led to increasing thrust on making the software simple and easy to use. We have also embarked on this effort with Chrysalis, HUB and Ramco Genie. In short, the vendor with the most comprehensive solution with highest user acceptance will gain a lead in the market, going forward.

### Opportunities

The year 2014-15 was yet another year of substantial growth. The Cloud based HR software has been witnessing some robust growth. Ability of Ramco's Global Payroll to offer out-of-box payroll for 35+ countries and a platform which helps address runtime and exception handling capabilities is turning out to be a clear value proposition to strengthen our footprint in the HR Software market.

There has been a shift in the way ERP applications are being consumed. With the advent of Internet of Things and Connected devices, enterprise software is expected to be contextually relevant and intuitive to deliver business efficiencies, across the organization. Our platform based approach to building ERP has enabled us to launch solutions on Wearables and integrate with in-memory based engine to deliver business value to users, and transform the enterprise landscape. With the launch of Postmodern ERP on wearables such as Google Glass and Smart Watches, we are among the forerunners in this game.

With the new age Cloud applications creating tectonic waves in the technology arena, Ramco's product functionalities along with the ability to address technological hassles has been successful in creating a Replacement Market opportunity. The willingness of large enterprises to adopt a Two-tier ERP strategy has opened new doors for Ramco. Another opportunity is Ramco's Agent based Planning and Optimization Engine which has gained commendable market interest. With this engine, we are able to address complex business problems such as planning and scheduling last-mile access, shift planning and crew rostering, inventory forecasting, and maintenance planning, among others.

On the Aviation front, while Ramco's Aviation suite continues to receive good uptake from the Heli and Airline segment, we have additionally tapped opportunities to address the allied business segments like Aerospace Manufacturing, as well. This strategy has helped widen the market opportunity ahead of us.

### Partnerships and Alliances

With vibrant partner ecosystem across the globe, we have been steadily building the brand visibility and strengthening our product portfolio. In the year 2014-15, we have become a lot more partner-centric, and our strategy has always been around increasing the 'force multipliers'. During the year, partner enablement initiatives were carried out to equip them with necessary skill sets to address pre-sales and implementation requirements, as well. With around 35% of projects in HCM being implemented by partners in FY2014-15, our partner strategy has begun to bear results. Interestingly, we are also seeing increased action from System Integrators (SIs) who are actively engaging with the company to build a practice around Ramco's offering – a sign that IP based Cloud is going to be a big market opportunity, in the future.

## 2014-15 Key Milestones.

**8 April, 2014:** Entered into a strategic partnership with Schneider Electric, a global specialist in energy management to market Ramco's Advanced Process Optimization software, OPTIMA, globally.

**8 April, 2014:** Announced a new order win from MHW Ltd., a leading US-based service provider for wine, spirits, and malt beverage product companies in the US. Ramco's integrated solution was chosen to connect its entire operations

**28 May, 2014:** Signed an agreement with **Norske Skog Australasia**, a subsidiary of Norske Skogindustrier ASA (one of the largest producers of publication paper in the world), to deliver Ramco ERP on Cloud integrated with Asset Management & Financials for the Australasian operations.

**11 June, 2014:** Ramco **Services Resource Planning (SRP)**, an ERP to serve the needs of Professional Services Segment launched. Ramco SRP will boost an organization's ability to hire, train and retain workforce, implement projects efficiently, manage finances comprehensively and provide superior customer service levels.

**17 June, 2014:** 5-year agreement with **Mother Dairy**, India's leading milk and dairy major is inked to connect its Sub-contractor network. Mother Dairy will be able 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

**15 July, 2014:** Partnered with Able Aerospace Services, a Global Leader in Component MRO to become its monolithic ERP system of record, including complete Maintenance, Repair & Overhaul (MRO), Supply Chain, Engineering, Finance and Accounting software solutions.

**23 July, 2014:** Agreement announced with **Kerzner International Holdings Limited**, a leading international developer and operator of destination resorts, casinos and luxury hotels including Atlantis, One&Only and Mazagan resorts; for Ramco's cloud-based HR & Talent Management Software with Analytics. Ramco HCM on Cloud will empower 10,000+ employees of Kerzner International, across 9 countries

**5 August, 2014:** Agreement announced with Falcon Aviation Services for Ramco Aviation.

**19 August, 2014:** Five-year contract with the Asia division of **Vopak**, the world's largest independent tank storage provider, signed to integrate a part of its regional Human Resource functions into a single platform. Ramco will offer its HRO (Human Resource Outsourcing) services across eight Vopak entities in Singapore, Indonesia, Vietnam, Australia and India.

**16 September, 2014:** Agreement announced with **Dabur** for Ramco HCM, to integrate its HR operations covering 6400+ employees, across 16 countries

**24 September, 2014:** Announced the go-live of Ramco HCM across 45+ businesses at **Khimji Ramdas Group**, Middle East's multi-billion dollar business conglomerate.

**30 September, 2014:** Announced the successful go-live of Ramco's Loadable Software Airplane Parts (LSAP) solution at **Kenya Airways**, the flag carrier of Kenya. Ramco has provided its LSAP solution to maintain and manage the Airline Configuration of Kenya Airways' latest fleet of B787 Dreamliner.

**27 October, 2014:** Ramco wins the **2014 Frost & Sullivan India Customer Value Leadership Award for Enterprise Applications Software.**

**6 November, 2014:** Ramco ERP on Google® Glass™ and Smart Watch launched to address the postmodern ERP era.

**1 December, 2014:** Agreement announced with **Tat Hong Group**, one of the world's top 10, Asia's largest and Singapore Stock Exchange listed crane rental company, to implement Ramco's powerful Equipment Rental and Asset Performance Management software to manage its fleet of over 1,500 crawlers, mobile and tower cranes.

**8 December, 2014:** Agreement announced with India's largest Duty Free, GMR co-owned **Delhi Duty Free**, to address the HR needs of the fast growing travel retail business.

**5 January, 2015:** Agreement announced with French-based global multinational, **Bureau Veritas SA**, for Ramco Payroll & Workforce Administration in India & Singapore.

**12 January, 2015:** Launched **SMS based Employee Self Service**, a new feature which will help ESS users of Ramco HCM to apply leave, raise queries and perform transactions, all via a text message. This feature was rolled out at a US Fortune 10 company for its India operations having 16000+ employees.

**11 February, 2015:** Agreement announced with **Dynamic Aviation**, leading U.S.-based Aviation Company, which provides innovative aviation solutions to government and commercial organizations;

**24 February, 2015:** Announced the successful go-live of Ramco HCM at Sharaf DG, one of the leading powerhouse retailers in the Middle East.

**26 February, 2015:** Ramco's **cloud Payroll software** has evolved to address **35+ countries** including India, Philippines, Thailand, Taiwan, Indonesia, Singapore, Malaysia, Vietnam among others in ASEAN; all of GCC and Egypt, Nigeria, Ghana, Sudan in Middle East-Africa; Australia, United States and UK. Announced the addition of Payroll software capability for Iraq, Yemen and Morocco.

**3 March, 2015:** Agreement announced with State-owned Southern Vietnam Helicopter Company (VNHS), a leading helicopter service provider in South East Asia, for Ramco Aviation Software.

**4 March, 2015:** Agreement announced with Mecaer Aviation Group (MAG), Inc. the authorized service center of AgustaWestland, for Ramco Aviation Software, to manage its MRO (Maintenance, Repair & Overhaul) operations which covers both rotary and fixed wing aircraft.

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

(i) & (ii) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2014-15:

Name of Director/KMP	Designation	Remuneration of Director/KMP for Financial Year 2014-15 (Rs. million)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
P R Ramasubrahmaneya Rajha	Chairman / Non Executive Promoter Director	0.04	36%	0.09	Profit Before Tax for the financial year 2014-15 was Rs.19.32 million against loss of Rs.192.75 million for the financial year 2013-14.
M M Venkatachalam	Non Executive Independent Director	0.05	13%	0.11	
S S Ramachandra Raja (upto 13 <sup>th</sup> August 2014)	Non Executive Director	0.01	(Refer Note c)	(Refer Note c)	
N K Shrikantan Raja (upto 13 <sup>th</sup> August 2014)	Non Executive Independent Director	0.02	(Refer Note c)	(Refer Note c)	
V Jagadisan	Non Executive Independent Director	0.04	Nil	0.10	
A V Dharmakrishnan	Non Executive Director	0.04	50%	0.09	
R S Agarwal	Non Executive Independent Director	0.03	Nil	0.06	
Soundara Kumar	Non Executive Independent Director	-	-	-	
P R Venketrama Raja	Vice – Chairman & Managing Director	1.17	NIL	2.95	
R Ravi Kula Chandran	Chief Financial Officer	11.91	120% (Refer Note d)	Not applicable	
G Karthikeyan	Company Secretary	0.11	(Refer Note e)	Not applicable	
G Venkatram	Company Secretary	1.18	(Refer Note f)	Not applicable	

**Notes:**

- Virender Aggarwal, Chief Executive Officer is an employee of Ramco Systems Pte., Ltd. Singapore, a subsidiary of the Company, where his remuneration for 2014-15 was USD1.153 million (Rs.69.89 million) and the % increase in 2014-15 was 49% (21%, excluding value of stock options exercised). He did not draw any remuneration from Ramco Systems Ltd., India. Hence he is not considered for the purposes of arriving at the figures in Points (iii), (iv), (viii) and (xi) below. For comparison of remuneration against the performance of the Company, please refer to the above table.
  - Details of the stock options granted to Virender Aggarwal, A V Dharmakrishnan and R Ravi Kula Chandran are disclosed under heading "Details of options granted in Financial Year 2014-15" in Annexure – D of the Board of Directors Report.
  - Paid only for part of the year and hence comparison is not possible.
  - The increase is 14%, excluding value of stock options exercised.
  - G Karthikeyan joined with effect from 2nd March 2015 and hence the % increase in remuneration in the Financial Year 2014-15 is not possible.
  - G Venkatram resigned with effect from 6th February 2015 and hence the % increase in remuneration in the Financial Year 2014-15 is not provided.
- (iii) The median remuneration of employees of the Company during the financial year was Rs.3,95,198 and the percentage increase in the median remuneration was 13%.
- (iv) There were 1,385 permanent employees on the rolls of Company as on 31<sup>st</sup> March 2015.
- (v) Relationship between average increase in remuneration and Company performance:

There was no relationship between the average increase in remuneration and the Company's performance, as except performance linked incentives / pay, the rest of the components of the remuneration are not directly linked to the performance of the Company.

- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel increased by 56% (21%, excluding value of stock options exercised) from Rs.54.10 million in 2013-14 to Rs.84.26 million in 2014-15. The Profit Before Tax for the financial year 2014-15 was Rs.19.32 million against loss of Rs.192.75 million for the financial year 2013-14.
- (vii) (a) Variations in the market capitalisation of the Company: The market capitalisation of Rs.3,183.07 million as on 31<sup>st</sup> March 2014 had increased to Rs.15,723.84 million as on 31<sup>st</sup> March 2015 showing an increase of 394%.
- (b) Price Earnings ratio: The price earnings ratio of the Company was 948 as at 31<sup>st</sup> March 2015. Ratio as at 31<sup>st</sup> March 2014 could not be computed, in view of the loss for the year ended 31<sup>st</sup> March 2014.
- (c) Percentage increase/decrease in the market quotations of shares of the Company as compared to the rate at which Company came out with last public offer: Not applicable, since the Company has not made any public offer. The closing share price of the Company at National Stock Exchange of India Limited on 31<sup>st</sup> March 2015 being Rs. 644.45 per equity share of face value of Re. 10/- each has grown 4.16 times since the last Rights Issue made during the year 2014-15 (Issue Price was Rs. 155/- per equity share of face value of Rs. 10/- each).
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year for the Company i.e., 2014-15 was 16.7 % (5.9%, excluding value of stock options exercised) whereas there was no increase in the managerial remuneration in the same financial year.
- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company – Provided under i & ii above.
- (x) The key parameters for any variable component of remuneration availed by the Directors – Not applicable since no variable component of remuneration is payable to Directors.
- (xi) The ratio of the remuneration of the highest paid Director to that of the employees of the Company who are not Directors but receive remuneration in excess of the highest paid Director during the year is 1 : 11.7; (1 : 9.8, excluding value of stock options exercised).
- (xii) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

(i) Employed throughout the financial year 2014-15 and was in receipt of remuneration, in the aggregate, not less than Rs.6 million

Name	Designation	Remuneration (Rs. million)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company
Balaji R	Vice President - Manufacturing & Infrastructure	7.01	B.E. (HONS) MECH. (21)	7-Nov-94	45	Bajaj Auto Limited
Hari Krishnan V	Vice President - Middle East And North Africa	10.39	M.Com, MBA (16)	4-Jun-07	43	Tally (India) Private Limited
Krishna Kumar K S	General Manager - Enterprise Process Solutions	7.63	B.E. (ECE) (29)	28-Oct-84	55	The Ramco Cements Limited
Mahesh Venkatraman	Vice President-Cloud Delivery & Operations	7.55	B.E. (EEE) (21)	3-Jul-13	46	Mahindra Satyam Limited
Ramesh Babu K M	Chief Delivery Officer	12.01	B.Com, PGDCA (31)	10-Jul-13	57	Defiance Technologies Limited
Ranganathan J	Sr. Vice President & SBU Head - Aviation Business	7.19	Master Of Management Studies (21)	25-Sep-97	48	Whirlpool of India Limited
Ranjan Tayal	Sr. Vice President & SBU Head - HCM Solution	11.47	B.TECH (24)	16-May-12	48	Capgemini India Pvt. Ltd.
Ravichandran S	Executive Vice President - Sales	13.67	B.TECH (ECE), B.Sc Physics (29)	1-Jun-12	58	RS Software (India) Limited
Ravi Kula Chandran R	Chief Financial Officer	11.91	B.Com, CA (28)	1-Feb-02	54	General Signal India Pvt. Ltd.
Saravanan V	Vice President & SBU Head - GBA	6.63	B.E. (MECH.) (22)	1-Jun-95	45	Wipro Fluid Power Limited
Sankaranarayanan S	Vice President - Projects Delivery & Support	7.21	MSC (Maths), PGDCA (26)	1-Oct-97	52	Wipro GE Medical Systems Private Limited
Shyamala Jayaraman	Sr. Vice President-ERP	9.20	B.E. (EEE) (23)	14-Feb-91	46	PSI Data Systems Limited
Srinivasan R	Vice President - Technology	10.07	MCA (23)	30-Sep-93	47	Titan Watches Limited

(ii) Employed for a part of the financial year 2014-15 and was in receipt of remuneration, at a rate which, in the aggregate, not less than Rs.0.5 million per month

Name	Designation	Remuneration (Rs. million)	Qualifications and experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company
Archana Awasthi	Vice President & Head- BFSI	10.72	B.TECH (Electronics), PGD Business Management – Marketing (22)	3-Jul-12	44	HCL Technologies Limited
Ravi Kiran B	General Manager – Projects	1.18	B.TECH (Mechatronics); M.Tech (19)	26-Apr-99	49	BEML Limited
Sarma M V K	Vice President - BI & Analytics - R&D	1.60	M.E. Industrial Engineering (23)	04-Jun-98	51	Crompton Greaves Limited

**Notes:**

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

**For and on behalf of the Board**

Place: Chennai  
Date: 29<sup>th</sup> May 2015

**P R Ramasubrahmaneya Rajha**  
Chairman

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

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Ramco Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its 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, 2015("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us:
  - i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements – also refer Note No.26.1 to the financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses under applicable laws or accounting standards and
  - iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**C N GANGADARAN**  
Partner  
Membership No.:11205

Place : Chennai  
Date : May 29, 2015

# Ramco Systems Limited, INDIA

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section, of our report of even date on the accounts of Ramco Systems Limited ("the Company") for the year ended March 31, 2015)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year, in accordance with a phased programme of verification, which in our opinion is reasonable having regard to the size of the Company. No material discrepancies have been noticed on such verification.
- (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) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 the internal control system.
- (v) The Company has not accepted any deposits within the meaning of Companies (Acceptance of Deposits) Rules 2014, from the public during the year.
- (vi) The requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company for the year under audit.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value Added Tax and Cess and other material statutory dues as applicable to it during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are disputed statutory dues aggregating to Rs.79.14 Mln. that have not been deposited on account of matters pending before appropriate authorities, as under:

Name of the Statute	Nature of dues	Forum where dispute is pending	(Rs. Mln.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	0.01
Wealth Tax Act, 1957	Wealth Tax	Commissioner of Wealth Tax (Appeals)	2.31
Central Sales Tax Act, 1956	Central Sales Tax	Appellate Deputy Commissioner (CT)	0.96
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Honorable High Court of Madras	75.86

- (c) There are no amounts to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.
- (viii) 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 covered by our audit and in the immediately preceding financial year.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders during the year.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

**C N GANGADARAN**

Partner

Membership No.:11205

Place : Chennai  
Date : May 29, 2015

# Ramco Systems Limited, INDIA

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2015

	Note Number	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	244.39	159.52
Reserves and Surplus	3	2,402.64	1,160.15
		<u>2,647.03</u>	<u>1,319.67</u>
<b>Share Application Money pending allotment</b>	4	0.07	-
<b>Non-current Liabilities</b>			
Long Term Borrowings	5	2,184.16	1,828.41
Long Term Provisions	6	53.72	54.95
		<u>2,237.88</u>	<u>1,883.36</u>
<b>Current Liabilities</b>			
Short Term Borrowings	7	540.00	1,825.00
Trade Payables	8	187.07	226.76
Other Current Liabilities	9	561.12	240.06
Short Term Provisions	10	6.06	3.54
		<u>1,294.25</u>	<u>2,295.36</u>
<b>TOTAL</b>		<u><b>6,179.23</b></u>	<u>5,498.39</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	11		
- Tangible Assets		125.33	146.35
- Intangible Assets		2,600.94	2,375.82
Non-current Investments	12	1,239.31	1,239.31
Long Term Loans and Advances	13	170.41	195.23
Other Non-current Assets	14	4.97	16.80
		<u>4,140.96</u>	<u>3,973.51</u>
<b>Current Assets</b>			
Inventories	15	0.09	0.14
Trade Receivables	16	1,222.54	965.82
Cash and Bank Balances	17	28.98	36.13
Short Term Loans and Advances	18	290.19	148.09
Other Current Assets	19	496.47	374.70
		<u>2,038.27</u>	<u>1,524.88</u>
<b>TOTAL</b>		<u><b>6,179.23</b></u>	<u>5,498.39</u>

Notes on Financial Statements

1 to 35

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note Number	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2014 (Rs. Mln.)
<b>INCOME</b>			
Revenue from Operations	20	2,229.72	1,608.08
Other Income	21	17.94	66.71
<b>Total Revenue</b>		2,247.66	1,674.79
<b>EXPENDITURE</b>			
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	22	0.05	-
Purchase of stock-in-trade	22	9.58	20.25
Employee Benefit Expense	23	924.18	742.77
Finance Costs	24	120.07	114.46
Depreciation and Amortisation Expense	11	444.49	371.18
Other Expenses	25	729.97	618.88
<b>Total expenses</b>		2,228.34	1,867.54
<b>Profit / (Loss) Before Tax</b>		19.32	(192.75)
Tax Expenses			
- Current Tax	10	3.75	-
- Deferred Tax		-	-
<b>Profit / (Loss) For The Year</b>		15.57	(192.75)
Earnings per equity share (EPS) of face value of Rs.10 each			
- Basic EPS (Rs.)		0.68	(11.76)
- Diluted EPS (Rs.)		0.65	(11.76)
- Weighted average number of Equity Shares outstanding - Basic		22,902,480	16,387,380
- Weighted average number of Equity Shares outstanding - Diluted		24,024,484	16,665,333

Notes on Financial Statements

1 to 35

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

# Ramco Systems Limited, INDIA

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2014 (Rs. Mln.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before tax as per Statement of Profit and Loss</b>	<b>19.32</b>	<b>(192.75)</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	444.49	371.18
Bad debts written off	118.71	102.23
Finance Costs	120.07	114.47
(Profit)/Loss on Sale of Assets (Net)	2.64	11.36
Interest Income	(5.97)	(2.33)
Unrealised Exchange (Gain)/Loss	10.61	(35.00)
Employee cost under ESOS	51.24	0.43
<b>Operating Profit Before Working Capital Changes</b>	<b>761.11</b>	<b>369.59</b>
<b>Adjustments for:</b>		
Trade receivables, Loans & advances and Other current / Non-current assets	(495.77)	(376.18)
Earmarked Balances with Banks, Margin money deposit	0.62	(0.05)
Inventories	0.05	-
Trade Payables, Provisions and Liabilities	35.26	(61.35)
<b>Cash Generated from Operations</b>	<b>301.27</b>	<b>(67.99)</b>
Taxes Paid	-	-
<b>Net Cash (Used in)/Generated from Operating Activities</b>	<b>301.27</b>	<b>(67.99)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets	(435.14)	(399.15)
Loans to Subsidiaries (Net)	(106.89)	(7.21)
Proceeds from Sale of Fixed Assets	2.33	2.44
Term deposit with Banks - others	(0.12)	(0.18)
Proceeds from Long term borrowings for assets under Hire purchase	7.38	4.38
Repayment of Long term borrowings for assets under Hire purchase	(6.61)	(7.22)
Interest Income	5.97	2.33
<b>Net Cash (Used in)/Generated from Investing Activities</b>	<b>(533.08)</b>	<b>(404.61)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital on account of exercise of Employee Stock Options and Rights Issue	1,273.33	8.89
Proceeds from Long Term Borrowings	600.00	1,820.00
Proceeds from Short Term Borrowings	976.92	3,597.50
Repayment of Short Term Borrowings	(2,261.92)	(4,625.00)
Finance Costs paid	(348.86)	(383.90)
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>239.47</b>	<b>417.49</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>7.66</b>	<b>(55.11)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>28.85</b>	<b>48.96</b>
Effect of Unrealised Foreign Exchange Fluctuation Gain/(Loss)	(10.61)	35.00
<b>Cash and Cash Equivalents at the end of the year</b>	<b>25.90</b>	<b>28.85</b>
Earmarked Balances with Banks		
- Term Deposits held as margin money against bank guarantees	-	0.62
- Balance in ESOS accounts	0.54	4.24
Term Deposits - Others	2.54	2.42
<b>Closing Cash and Bank Balances</b>	<b>28.98</b>	<b>36.13</b>

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
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Membership No.:11205

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Vice Chairman and Managing Director

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**R S AGARWAL**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

## NOTES ON STANDALONE 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 referred to Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable. 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 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 Fixed 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.

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

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

##### 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.

Similarly, costs incurred in the development of technology platform framework, which would enable the

## Ramco Systems Limited, INDIA

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 II of the Companies Act, 2013 over the useful life of those assets.

### 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 December 7, 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 viz., salaries, wages and other benefits are recognized as an expense 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 directly 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.

<b>2 Share Capital</b>	<b>As at 31.03.2015 (Rs. Mln.)</b>	<b>As at 31.03.2014 (Rs. Mln.)</b>
<b>Authorised</b>		
50,000,000 (Previous year 50,000,000) Equity Shares of Rs.10 each	<u>500.00</u>	<u>500.00</u>
<b>Issued</b>		
24,752,834 (Previous year 16,265,763) Equity Shares of Rs.10 each	<u>247.53</u>	<u>162.66</u>
<b>Subscribed</b>		
24,752,834 (Previous year 16,265,763) Equity Shares of Rs.10 each	<u>247.53</u>	<u>162.66</u>
<b>Paid-up</b>		
24,403,656 (Previous year 15,916,585) 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>244.39</u>	<u>159.52</u>
	<u>244.39</u>	<u>159.52</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.

# Ramco Systems Limited, INDIA

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

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
Shares outstanding at the beginning of the year 15,916,585 (Previous year 15,737,115)	159.52	157.73
Shares issued during the year under Rights Issue / ESOS-8,487,071 (Previous year ESOS-179,470)	84.87	1.79
Shares outstanding at the end of the year 24,403,656 (Previous year 15,916,585)	<u>244.39</u>	<u>159.52</u>

2.2 Number of non resident shareholders	106	79
Number of shares held by the non resident shareholders	581,312	135,456
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 31.03.2015		As at 31.03.2014	
	Shares held	% of holding	Shares held	% of holding
Shri P R Venketrama Raja	3,217,441	13.19	2,144,961	13.52
Ramco Industries Limited	5,467,376	22.41	4,822,215	30.39
The Ramco Cements Limited	5,417,810	22.21	2,117,810	13.35

## 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 31.03.2015			As at 31.03.2014		
	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. Mln.)	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. Mln.)
ESOP 2000	1,363	169	0.23	1,300	177	0.23
ESOS 2003	525	254	0.13	500	266	0.13
ESOS 2003	1,994	169	0.34	1,900	177	0.34
ESOS 2008	132,580	51	6.76	290,788	53	15.41
ESOS 2008	31,833	136	4.33	50,000	143	7.15
ESOS 2008	36,721	119	4.37	25,000	138	3.45
ESOS 2008	78,424	83	6.51	50,000	125	6.25
ESOS 2008	68,195	230	15.68	95,000	87	8.27
ESOS 2008	20,983	194	4.07	65,000	241	15.67
ESOS 2008	-	-	-	20,000	204	4.08
ESOS 2009 - Plan A	103,991	90	9.36	193,431	94	18.18
ESOS 2009 - Plan A	20,983	93	1.95	20,000	98	1.96
ESOS 2009 - Plan A	20,983	58	1.22	20,000	61	1.22
ESOS 2009 - Plan A	9,440	110	1.04	60,000	115	6.90
ESOS 2009 - Plan A	25,000	10	0.25	25,000	10	0.25
ESOS 2009 - Plan B	176,299	90	15.87	298,210	94	28.03
ESOS 2009 - Plan B	200,000	10	2.00	25,000	10	0.25
ESOS 2009 - Plan B	18,885	110	2.08	60,000	115	6.90
ESOS 2009 - Plan A	130,000	356	46.28	-	-	-
ESOS 2009 - Plan B	113,750	356	40.50	-	-	-
ESOS 2013	115,000	356	40.94	-	-	-
ESOS 2013	588,750	155	91.26	-	-	-

Name of Stock Option Schemes	As at 31.03.2015			As at 31.03.2014		
	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. Mln.)	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. Mln.)
ESOS 2013	40,000	482	19.28	-	-	-
ESOS 2013	15,000	431	6.47	-	-	-
ESOS 2013	22,500	250	5.63	-	-	-
ESOS 2013	7,500	426	3.20	-	-	-
ESOS 2013	17,500	462	8.09	-	-	-
ESOS 2013	7,000	348	2.44	-	-	-
ESOS 2013	5,250	696	3.65	-	-	-
ESOS 2013	25,000	340	8.50	-	-	-
ESOS 2013	27,500	679	18.67	-	-	-
<b>Total</b>	<b>2,079,699</b>		<b>371.27</b>	1,301,129		124.67

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

**2.5 The utilisation of the proceeds of Rights Issue 2013 is given below:**

Rs. Mln.

Particulars	As per Letter of Offer	Actual utilisation during the year ended March 31, 2015
Proceeds received from Rights Issue 2013	1,233.54	1,233.54
<b>Utilisation:</b>		
Repayment/Pre-payment of certain loans	945.00	945.00
Issue related expenses	8.81	9.28
General Corporate Purposes	279.73	279.26
Total utilisation	1,233.54	1,233.54

**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)

Share Options Outstanding

Balance in Profit and Loss Account

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
	3,162.47	1,977.77
	56.37	5.12
	(816.20)	(822.74)
	<u>2,402.64</u>	<u>1,160.15</u>

**3.1 Securities Premium Account**

Opening Balance

Shares issued during the year under Rights Issue / ESOS- 8,487,071 (Previous year ESOS-179,470). Net of Rights Issue Expenditure of Rs. 9.28 Mln. (previous year Nil)

Closing Balance

	1,977.77	1,966.61
	1,184.70	11.16
	<u>3,162.47</u>	<u>1,977.77</u>

**3.2 Stock options outstanding**

Gross employee stock compensation for options granted in earlier years

Add: Gross compensation options/shares granted during the year

Closing balance

	5.12	4.70
	51.25	0.42
	<u>56.37</u>	<u>5.12</u>

## Ramco Systems Limited, INDIA

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
<b>3.3 Balance in Profit and Loss Account</b>		
Opening balance	(822.74)	(629.99)
Depreciation on Fixed Assets - Transitional adjustment (Refer Note No.11(4))	(9.02)	-
Current year Profit / (Loss)	15.57	(192.75)
Closing balance	<u>(816.20)</u>	<u>(822.74)</u>
<b>4 Share Application Money Pending Allotment</b>		
a) Terms and conditions	Refer note below	-
b) Number of shares proposed to be issued (No.)	1,215	-
c) Amount of premium (Rs. Mln.)	0.06	-
d) The period before which shares are to be allotted	Refer note below	-
e) Whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	-
f) Interest accrued on amount due for refund	Not Applicable	-
g) The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending	Nil	-

Note: The Share Application Money Pending Allotment as at the year end, represents receipt pursuant to the exercise of Options under the Employee Stock Option Scheme, 2008 of the Company. Under the said scheme, 1 share of Rs.10 each, at a premium of Rs.41 for 914 shares & Rs.73 for 301 shares per share needs to be issued for each option exercised. The shares need to be allotted within 6 weeks of receipt of exercise application along with remittance of exercise money. No such application money has been pending beyond the stipulated time for allotment.

### 5 Long Term Borrowings

Hire Purchase Loans, secured *	9.16	8.41
Loan from banks unsecured **	2,075.00	1,820.00
Loan from other parties, unsecured ***	100.00	-
	<u>2,184.16</u>	<u>1,828.41</u>

\* Includes loan from Banks Nil (previous year Nil) and others Rs. 9.16 Mln. (previous year Rs. 8.41 Mln.)

\*\* Rs.2,075 Mln. (previous year Rs.1,820 Mln.), supported by Corporate Guarantee from The Ramco Cements Ltd., and includes a loan for Rs.200 Mln., (previous year Nil), in respect of which the Corporate Gurarantee by The Ramco Cements Ltd., was executed on April 1, 2015.

\*\*\* Rs.100 Mln. (previous year Nil) supported by Corporate Guarantee from The Ramco Cements Ltd.

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

**5.2 Terms of repayment**  
**Hire Purchase Loans, Secured:**

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 31.03.2015**

Rate of Interest	2018-19	2017-18	2016-17	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
10.25%	0.83	1.39	1.25	3.47
10.50%	0.22	0.26	0.24	0.72
10.75%	0.18	1.03	1.36	2.57
11.00%	-	0.13	0.96	1.09
11.25%	-	0.25	0.81	1.06
11.50%	-	0.08	0.17	0.25
<b>Total</b>	<b>1.23</b>	<b>3.14</b>	<b>4.79</b>	<b>9.16</b>

**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
<b>Total</b>	<b>0.47</b>	<b>2.89</b>	<b>5.05</b>	<b>8.41</b>

**Loans from banks, unsecured:**

**As at 31.03.2015**

Rate of Interest	2017-18	2016-17	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
11.75%	-	830.00	830.00
12.00%	-	820.00	820.00
10.60%	175.00	250.00	425.00
<b>Total</b>	<b>175.00</b>	<b>1,900.00</b>	<b>2,075.00</b>

**Loans from others, unsecured:**

**As at 31.03.2015**

Rate of Interest	2017-18	Total
	(Rs. Mln.)	(Rs. Mln.)
11.00%	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**As at 31.03.2014**

Rate of Interest	2016-17	2015-16	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
11.75%	830.00	170.00	1000.00
12.00%	820.00	-	820.00
<b>Total</b>	<b>1,650.00</b>	<b>170.00</b>	<b>1,820.00</b>

## Ramco Systems Limited, INDIA

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
<b>6 Long Term Provisions</b>		
Provision for gratuity	1.15	0.59
Provision for leave encashment	52.57	54.36
	<u>53.72</u>	<u>54.95</u>
<b>7 Short Term Borrowings</b>		
Loans repayable on demand from Banks, secured	10.00	95.00
Loans from Banks, unsecured	250.00	1,300.00
Loans from others, unsecured	280.00	430.00
	<u>540.00</u>	<u>1,825.00</u>
<b>7.1 Terms of Repayment and Security details</b>		
Loans repayable on Demand, from Banks, secured consists of:		
(a) Current year Nil (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.10.00 Mln. (previous year Rs.85.00 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 250.00 Mln. (previous year Rs. 1,000.00 Mln.), supported by Corporate Guarantee from The Ramco Cements Limited. In respect of loan of Rs 250.00 Mln. (previous year Nil), the Corporate Guarantee from The Ramco Cements Limited was executed on 18.04.2015.		
(b) Current year Nil (previous year Rs. 300.00 Mln., supported by Corporate Guarantee from Ramco Industries Limited).		
Loans from Others, Unsecured, consists of :		
(a) Rs 280.00 Mln. (previous year Rs. 430.00 Mln.) supported by Corporate Guarantee from The Ramco Cements Limited.		
<b>8 Trade Payables</b>		
Subsidiaries	15.28	63.60
Others	171.79	163.16
	<u>187.07</u>	<u>226.76</u>
<b>8.1</b>	There are no Micro and Small Enterprises, to whom the Company owes dues as at 31st March 2015 and on 31st March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.	
<b>9 Other Current Liabilities</b>		
Unearned revenue	165.59	106.07
Current maturities of Long Term debt, from Banks, Unsecured **	245.00	-
Hire Purchase Loans, secured #	6.50	6.49
Interest accrued but not due	0.14	1.51
Statutory dues payable	26.31	24.62
Expenses payable	97.71	75.54
Others *	19.87	25.83
	<u>561.12</u>	<u>240.06</u>

\*\* Supported by Corporate Guarantee from The Ramco Cements Limited.

# Secured by Hypothecation of assets ( vehicles) procured under the hire purchase scheme. Includes loan from Banks Nil (previous year Rs.0.07 Mln.) and others Rs.6.50 Mln. (previous year Rs.6.42 Mln.)

\* Includes advance collected from customers and payable to vendors for capital payables.

As at  
31.03.2015  
(Rs. Mln.)

As at  
31.03.2014  
(Rs. Mln.)

## 10 Short Term Provisions

Provision for superannuation and leave encashment	2.31	3.54
Provision for taxation	3.75	-
	<u>6.06</u>	<u>3.54</u>

**10.1** Tax on book profits (MAT) has been provided for. No provision for regular tax for the Company (including its Branches at United Kingdom and Germany) has been made in view of absence of taxable profits during the current and previous year. The company has net deferred tax assets as on March 31, 2015 and as on March 31, 2014, which arise mainly on account of carry forward losses. However the company has not taken credit for such net deferred tax assets.

## 11 Fixed Assets

(Rs. Mln.)

Asset Description	Gross Block				Depreciation Block					Net Block	
	As at 01.04.2014	Additions	With -drawals	As at 31.03.2015	Up to 01.04.2014	Opening adjustment	For the year	With -drawals	Up to 31.03.2015	As at 01.04.2014	As at 31.03.2015
<b>TANGIBLE ASSETS</b>											
Building	3.12	-	-	3.12	1.66	-	0.03	-	1.69	1.46	1.43
Laptops and Desktops	140.75	21.23	18.07	143.91	94.19	6.80	28.61	18.04	111.56	46.56	32.35
Servers and Networks	225.10	2.53	1.72	225.91	178.02	0.72	17.41	1.67	194.48	47.08	31.43
Furniture	10.01	7.84	1.54	16.31	3.64	-	1.17	0.69	4.12	6.37	12.19
Office Equipments	21.51	9.86	1.48	29.89	5.95	1.42	5.35	0.79	11.93	15.56	17.96
Electrical Items	10.70	0.56	0.51	10.75	3.69	-	1.06	0.12	4.63	7.01	6.12
Vehicles	27.96	8.61	4.60	31.97	5.65	-	4.13	1.66	8.12	22.31	23.85
<b>Sub-Total</b>	<b>439.15</b>	<b>50.63</b>	<b>27.92</b>	<b>461.86</b>	<b>292.80</b>	<b>8.94</b>	<b>57.76</b>	<b>22.97</b>	<b>336.53</b>	<b>146.35</b>	<b>125.33</b>
Previous year	465.78	36.55	63.18	439.15	304.47	-	37.69	49.36	292.80	161.31	146.35
<b>INTANGIBLE ASSETS</b>											
Technology Platform	1,036.86	160.00	-	1,196.86	476.00	-	87.55	-	563.55	560.86	633.31
Product Software	2,724.80	435.38	-	3,160.18	1,010.27	-	271.32	-	1,281.59	1,714.53	1,878.59
Patents	11.61	0.60	-	12.21	4.02	-	1.15	-	5.17	7.59	7.04
Computer Software	377.31	15.95	-	393.26	284.47	0.08	26.71	-	311.26	92.84	82.00
<b>Sub-Total</b>	<b>4,150.58</b>	<b>611.93</b>	<b>-</b>	<b>4,762.51</b>	<b>1,774.76</b>	<b>0.08</b>	<b>386.73</b>	<b>-</b>	<b>2,161.57</b>	<b>2,375.82</b>	<b>2,600.94</b>
Previous year	3,517.48	633.10	-	4,150.58	1,441.28	-	333.49	-	1,774.76	2,076.20	2,375.82
<b>Grand Total</b>	<b>4,589.73</b>	<b>662.56</b>	<b>27.92</b>	<b>5,224.37</b>	<b>2,067.56</b>	<b>9.02</b>	<b>444.49</b>	<b>22.97</b>	<b>2,498.10</b>	<b>2,522.17</b>	<b>2,726.27</b>
Previous year	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

- Note:**
- Gross block under vehicles includes assets purchased under Hire Purchase Rs.27.61 Mln. (previous year Rs.27.21 Mln.), Net block as on March 31, 2015 Rs.21.73 Mln. (previous year Rs.21.95 Mln.).
  - Gross block under Servers and Networks includes assets purchased under Finance Lease Rs.25.29 Mln. (previous year Rs.25.29 Mln.), Net block as on March 31, 2015 Nil (previous year Rs.3.20 Mln.).
  - Additions to the gross block in respect of technology platform include capitalisation of interest amounting to Rs.61.12 Mln. (previous year Rs.62.33 Mln.) and product software include Rs.166.30 Mln. (previous year Rs.208.18 Mln.).
  - The depreciation on tangible fixed assets is provided on the straight-line method as prescribed under Schedule II to the Companies Act, 2013, over the useful life of those assets. As prescribed in said Schedule II, an amount of Rs.9.02 Mln. towards depreciation has been charged in the opening balance of retained earnings for the assets in respect of which the remaining useful life is Nil as on April 01, 2014 and in respect of other assets on that date, depreciation has been worked out based on remaining useful life of those assets. For additions, depreciation has been worked out based on new rates determined on the basis of useful lives of the assets. Had the Company continued with the previously applicable Schedule XIV rates, charge for depreciation for the year ended March 31, 2015 would have been lower by Rs.26.58 Mln.

## Ramco Systems Limited, INDIA

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
<b>12 Non-current Investments</b>		
<b>Equity investments in subsidiaries at cost, long term, trade, unquoted</b>		
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 (Previous year 100 Shares @ ZAR 1 each)	-	-
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 Co. Ltd., Sudan, of SDG 1 each (Previous year 100,000 Shares @ SDG 1 each)	2.08	2.08
	<u>1,239.31</u>	<u>1,239.31</u>
<b>13 Long Term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Advance Tax and Tax deducted at source	162.54	181.51
Security deposits	7.87	13.72
	<u>170.41</u>	<u>195.23</u>
<b>14 Other Non-current Assets</b>		
Trade receivables, unsecured considered good	4.97	13.29
Trade receivables, unsecured considered doubtful	0.33	0.33
Provision for doubtful trade receivables	(0.33)	(0.33)
Unbilled revenue	-	3.51
	<u>4.97</u>	<u>16.80</u>
<b>15 Inventories</b>		
Stock-in-trade *	0.09	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		
<b>16 Trade Receivables</b>		
<b>Unsecured, considered good</b>		
<b>a) Over six months from the date they were due for payment</b>		
Trade receivables - subsidiaries	48.03	137.99
Trade receivables - others	559.33	165.32
<b>b) Others</b>		
Trade receivables - subsidiaries	448.25	280.43
Trade receivables - others	166.93	382.08
	<u>1,222.54</u>	<u>965.82</u>



## 16.1 Trade receivables includes dues from Subsidiaries as below:

(Rs. Mln.)

Subsidiary	Outstanding as at		Maximum amount due during	
	31.03.2015	31.03.2014	2014-15	2013-14
Ramco Systems Corporation, USA	44.25	22.51	48.14	36.31
Ramco Systems Limited, Switzerland	9.15	2.27	18.16	7.63
Ramco Systems Sdn Bhd., Malaysia	93.56	80.29	131.76	80.29
Ramco Systems Pte Ltd., Singapore	76.89	74.76	108.68	74.76
RSL Enterprise Solutions (Pty.) Ltd., South Africa	58.03	128.33	235.24	132.00
Ramco Systems Canada Inc., Canada	0.65	0.07	0.66	1.29
Ramco Systems FZLLC, Dubai	163.21	89.42	181.47	89.42
RSL Software Company Ltd., Sudan	11.07	14.55	15.70	16.19
Ramco Systems Australia Pty Ltd., Australia	39.47	6.22	39.47	6.87
	<b>496.28</b>	418.42	<b>779.28</b>	444.76

## 17 Cash and Bank Balances

### Cash and cash equivalents

Cash on hand	0.08	0.19
Balance with Banks	25.82	28.66

### Other Bank balances

Term deposits held as margin money against bank guarantees	-	0.62
Term deposits others	2.54	2.42
Balance in ESOS accounts	0.54	4.24
	<b>28.98</b>	36.13

## 18 Short Term Loans and Advances

### Unsecured, considered good

Loans and advances to related parties	124.78	17.89
Loans and advances others *	165.41	130.20
	<b>290.19</b>	148.09

\* 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.)

Subsidiary	Outstanding as at		Maximum amount due during	
	31.03.2015	31.03.2014	2014-15	2013-14
Ramco Systems Pte Ltd., Singapore	56.43	17.89	57.70	17.89
RSL Enterprise Solutions (Pty.) Ltd., South Africa	60.32	-	68.84	6.33
Ramco Systems Australia Pty Ltd., Australia	8.03	-	8.54	-
	<b>124.78</b>	17.89	<b>135.08</b>	24.22

## 19 Other Current Assets

Unbilled revenue	496.47	374.70
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## Ramco Systems Limited, INDIA

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2014 (Rs. Mln.)																								
<b>20 Revenue from operations</b>																										
Software revenue (License & Services)	1,796.98	1,291.05																								
Resale software and hardware materials	18.10	21.34																								
Royalty income	414.64	295.69																								
	<u>2,229.72</u>	<u>1,608.08</u>																								
<b>20.1 Earnings in foreign exchange</b>																										
Export of goods and services on FOB basis	790.81	486.64																								
Royalty	414.64	295.69																								
Interest	2.33	1.88																								
	<u>1,207.78</u>	<u>784.21</u>																								
<b>21 Other Income</b>																										
Interest income	5.97	2.33																								
Profit on sale of assets	0.91	0.19																								
Recovery of expenses from customers	8.27	19.87																								
Rent income	-	44.03																								
Other income	2.79	0.29																								
	<u>17.94</u>	<u>66.71</u>																								
<b>22 Changes in Inventories of Stock-in-trade</b>																										
Opening stock	0.14	0.14																								
Closing stock	0.09	0.14																								
	<u>0.05</u>	<u>-</u>																								
<b>22.1 Value of consumption of imported and indigenous raw materials and spare parts</b>																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Year ended 31.03.2015</th> <th colspan="2" style="text-align: center;">Year ended 31.03.2014</th> </tr> <tr> <th style="text-align: center;">(Rs. Mln.)</th> <th style="text-align: center;">%</th> <th style="text-align: center;">(Rs. Mln.)</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Imported</td> <td style="text-align: right;">1.85</td> <td style="text-align: right;">19.20</td> <td style="text-align: right;">5.21</td> <td style="text-align: right;">25.72</td> </tr> <tr> <td>Indigenous</td> <td style="text-align: right;">7.78</td> <td style="text-align: right;">80.80</td> <td style="text-align: right;">15.04</td> <td style="text-align: right;">74.28</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>9.63</u></td> <td style="text-align: right;"><u>100.00</u></td> <td style="text-align: right;">20.25</td> <td style="text-align: right;">100.00</td> </tr> </tbody> </table>			Year ended 31.03.2015		Year ended 31.03.2014		(Rs. Mln.)	%	(Rs. Mln.)	%	Imported	1.85	19.20	5.21	25.72	Indigenous	7.78	80.80	15.04	74.28		<u>9.63</u>	<u>100.00</u>	20.25	100.00
	Year ended 31.03.2015			Year ended 31.03.2014																						
	(Rs. Mln.)	%	(Rs. Mln.)	%																						
Imported	1.85	19.20	5.21	25.72																						
Indigenous	7.78	80.80	15.04	74.28																						
	<u>9.63</u>	<u>100.00</u>	20.25	100.00																						
<b>22.2 CIF value of Imports</b>																										
Resale materials	1.85	5.21																								
Capital goods	5.13	3.43																								
Outflow for patent applications	0.90	3.15																								
	<u>7.88</u>	<u>11.79</u>																								
<b>23 Employee Benefit Expense</b>																										
Salaries, wages, bonus etc.,	826.16	683.35																								
Provident fund and other contributions	47.65	41.43																								
Gratuity and other retirals	25.59	1.86																								
Staff welfare	24.78	16.13																								
	<u>924.18</u>	<u>742.77</u>																								

Year ended  
**31.03.2015**  
(Rs. Mln.)

Year ended  
31.03.2014  
(Rs. Mln.)

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

### a) Defined Contribution Plan:

Employer's Contribution to Provident Fund and other contributions	<b>47.65</b>	41.43
Employer's Contribution to Superannuation & National Pension System etc.,	<b>16.41</b>	15.88

### b) Defined Benefit Plan:

(Rs. Mln.)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)
<b>Reconciliation of opening and closing balances of defined benefit plan:</b>				
Defined Benefit obligation as on 01st April	<b>115.76</b>	<b>41.90</b>	132.27	54.63
Current Service Cost	<b>14.22</b>	<b>4.93</b>	13.80	4.77
Interest Cost	<b>8.59</b>	<b>3.49</b>	11.33	4.14
Actuarial (gain) / loss	<b>(3.15)</b>	<b>(2.57)</b>	(28.86)	(14.61)
Benefits paid	<b>(11.25)</b>	<b>(6.11)</b>	(12.79)	(7.03)
Defined Benefit obligation as on 31st March	<b>124.17</b>	<b>41.64</b>	115.75	41.90
<b>Reconciliation of opening and closing balances of fair value of plan assets:</b>				
Fair value of plan assets as on 01st April	<b>127.45</b>	-	113.71	-
Expected return on plan assets	<b>10.30</b>	-	9.23	-
Actuarial (gain)/loss	<b>1.25</b>	-	1.06	-
Employer contribution	<b>13.81</b>	-	16.24	-
Benefits paid	<b>(11.25)</b>	-	(12.79)	-
Fair value of plan assets as on 31st March	<b>141.56</b>	-	127.45	-
Actual return on plan assets	<b>11.55</b>	-	10.29	-
<b>Reconciliation of fair value of assets and obligations:</b>				
Fair value of plan assets	<b>141.56</b>	-	127.45	-
Present value of obligation	<b>(124.17)</b>	<b>(41.64)</b>	(115.75)	(41.90)
Amount recognized in Balance Sheet	<b>17.39</b>	<b>(41.64)</b>	11.69	(41.90)
<b>Expense recognized during the year:</b>				
Current Service Cost	<b>14.22</b>	<b>4.93</b>	13.80	4.77
Interest Cost	<b>8.59</b>	<b>3.49</b>	11.33	4.14
Expected return on plan assets	<b>(10.30)</b>	-	(9.23)	-
Actuarial (gain) / loss	<b>(4.40)</b>	<b>(2.57)</b>	(29.91)	(14.61)
Net Cost	<b>8.11</b>	<b>5.85</b>	(14.02)	(5.70)
<b>Investment Details:</b>				
GOI Securities	-	-	-	-
State Government Securities	-	-	-	-
High Quality Corporate Bonds	-	-	-	-
Funds with LIC	<b>100%</b>	-	100%	-
Others	-	-	-	-
<b>Actuarial assumptions:</b>				
Attrition rate	<b>12%</b>	<b>12%</b>	10%	10%
Discount rate p.a	<b>8%</b>	<b>8%</b>	9%	9%
Expected rate of return on plan assets p.a	<b>8%</b>	-	8%	-
Rate of escalation in salary p.a	<b>9%</b>	<b>9%</b>	10%	10%

## Ramco Systems Limited, INDIA

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2014 (Rs. Mln.)
<b>24 Finance Costs</b>		
Interest on Loans	119.36	110.19
Other finance costs	0.71	4.27
	<u>120.07</u>	<u>114.46</u>
<b>25 Other Expenses</b>		
Advertisement & sales promotion	46.42	46.80
Bank charges	1.79	2.55
Bad and doubtful debts & advances	118.71	102.23
Consultancy charges	17.72	9.81
Foreign exchange fluctuation, net	20.71	(55.91)
Insurance	1.52	1.72
Loss on sale of fixed assets	3.55	11.56
Office maintenance	15.47	17.72
Outsourcing costs	92.77	69.04
Power & fuel	11.53	12.76
Printing & stationery	2.36	2.16
Postage, telephone and communication	33.16	26.11
Rent	149.48	172.05
Repairs - Buildings	10.33	2.81
Repairs - Plant & Machinery	21.76	12.46
Repairs - Others	19.89	4.70
Rates & taxes	36.35	30.14
Sales commission and other selling expenses	4.24	1.66
Software subscription and maintenance	2.05	7.94
Travel & conveyance	109.89	131.99
Unfructified patent expenses	-	0.86
Other miscellaneous expenses	10.27	7.72
	<u>729.97</u>	<u>618.88</u>
	<b>As at 31.03.2015 (Rs. Mln.)</b>	<b>As at 31.03.2014 (Rs. Mln.)</b>
<b>26 Contingent Liabilities and Commitments:</b>		
<b>26.1 Contingent Liabilities:</b>		
(a) Bank Guarantees	34.03	31.04
(b) Corporate Guarantee for USD 0.50 Mln. (previous year USD 0.50 Mln.) issued in favour of a customer of the Malaysian subsidiary, Ramco Systems Sdn., Bhd	31.11	29.68
(c) Corporate Guarantee issued in favour of customer(s) of the Company	6.60	-
(d) Disputed Tamil Nadu VAT demand:		
i) Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	75.86	-
ii) Relating to 2014-15 in respect of which no demand notice has been received	12.09	-

<b>Contingent Liabilities (Contd..)</b>	<b>As at 31.03.2015 (Rs. Mln.)</b>	As at 31.03.2014 (Rs. Mln.)
(e) Disputed Sales tax demand - pending before first appellate authority - Year 2006-07	<b>0.96</b>	0.96
(f) Income Tax - Pending before the first appellate authority AY:2007-08 to 2011-12	<b>0.01</b>	20.24
(g) Wealth Tax - Pending before the first appellate authority AY:2005-06 to 2007-08	<b>2.31</b>	2.31
(h) Other litigations	<b>24.55</b>	12.76
(i) Letter of undertaking issued in favour of Malaysian subsidiary, Ramco Systems Sdn. Bhd., in respect of its dues from the Singapore subsidiary, Ramco Systems Pte Ltd., Singapore	<b>51.23</b>	-

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.

## 26.2 Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>13.03</b>	24.57
(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.		

<b>27 Expenditure in Foreign Currency on account of:</b>	<b>Year ended 31.03.2015 (Rs. Mln.)</b>	Year ended 31.03.2014 (Rs.Mln.)
(a) Professional / consultation fees	<b>6.60</b>	3.52
(b) Travelling	<b>69.37</b>	41.47
(c) Others	<b>63.91</b>	34.09
	<b>139.88</b>	79.08

## 28 Fees paid to Statutory Auditors (Excluding service tax)

(a) Statutory Audit	<b>1.00</b>	0.90
(b) Tax Audit	<b>0.16</b>	0.15
(c) Independent Auditor's report under AS-21	<b>0.20</b>	0.20
(d) Rights Issue Certification*	-	0.50
(e) Other certification	<b>0.36</b>	0.33
(f) Reimbursement of out of pocket expenses	<b>0.04</b>	0.04
	<b>1.76</b>	2.12

\* Fees paid for Rights Issue 2013 certification was adjusted against securities premium account

# Ramco Systems Limited, INDIA

## 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:

Disclosure of Related Party transactions as per AS-18 is given below:

### a. Subsidiary Companies:

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

### b. Key Managerial Personnel (KMP)

1. Shri P R Ramasubrahmaneya Rajha  
Chairman
2. Shri P R Venketrama Raja  
Vice Chairman & Managing Director
3. Shri Virender Aggarwal  
Chief Executive Officer

#### Relatives of KMP

- |   |  |
|---|--|
| 1. Shri P R Venketrama Raja, Son of<br>Shri P R Ramasubrahmaneya Rajha  | 4. Smt. R Nalina Ramalakshmi, Daughter of<br>Shri P R Ramasubrahmaneya Rajha |
| 2. Smt. R Sudarsanam, Spouse of<br>Shri P R Ramasubrahmaneya Rajha      | 5. Smt. P V Nirmala,<br>Spouse of Shri P R Venketrama Raja                   |
| 3. Smt. S Saradha Deepa, Daughter of<br>Shri P R Ramasubrahmaneya Rajha | 6. Smt. B Srisandhya Raju,<br>Daughter of Shri P R Venketrama Raja           |
|   | 7. Shri P V Abinav Ramasubramaniam Raja,<br>Son of 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                  | 12. Rajapalayam Textile Limited                                   |
| 2. The Ramco Cements Limited                  | 13. Sudarsanam Estate   |
| 3. Ramco Industries Limited                   | 14. Ramco Welfare Trust   |
| 4. The Ramaraju Surgical Cotton Mills Limited | 15. Smt. Lingammal Ramaraju Shastra Prathista Trust               |
| 5. Sri Vishnu Shankar Mills Limited           | 16. The Ramco Cements Limited Educational and Charitable<br>Trust |
| 6. Sandhya Spinning Mill Limited              | 17. Gowrihouse Metal Works  |
| 7. Thanjavur Spinning Mill Limited            | 18. Gowrishankar Screws   |
| 8. Rajapalayam Spinners Limited               | 19. P.A.C.R Sethurammam Charity Trust                             |
| 9. Sri Harini Textiles Limited                | 20. P.A.C.R. Sethurammam Charities                                |
| 10. Swarna Boomi Estate                       | 21. JKR Enterprises Limited                                       |
| 11. Thanga Vilas Estate                       |   |

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

(Rs. Mln.)

Particulars	Transactions during 2014-15	Outstanding as at 31.03.2015	Transactions during 2013-14	Outstanding as at 31.03.2014
<b>Income from Sale of goods &amp; services / reimbursements</b>				
Ramco Systems Corporation, USA	65.73	3.40	66.92	-
Ramco Systems Canada Inc., Canada	0.28	0.28	-	-
Ramco Systems Limited, Switzerland	3.95	3.56	4.25	0.09
Ramco Systems Sdn. Bhd., Malaysia	132.36	80.20	30.53	26.88
Ramco Systems Pte. Ltd., Singapore	48.77	30.31	34.44	39.73
RSL Enterprise Solutions (Pty) Ltd., S.Africa	68.12	54.39	141.33	128.33
Ramco Systems FZ-LLC, Dubai	136.32	79.92	73.37	51.42
RSL Software Company Limited, Sudan	-	11.07	1.96	14.56
Ramco Systems Australia Pty Ltd., Australia	45.54	30.24	6.75	5.63
The Ramco Cements Limited	102.29	3.15	161.06	5.51
Ramco Industries Limited	6.67	1.63	7.22	0.40
Rajapalayam Mills Limited	1.69	1.31	1.06	0.46
Rajapalayam Textile Limited	0.19	0.12	-	-
Sri Vishnu Shankar Mills Limited	0.91	0.42	0.60	0.15
Sandhya Spinning Mill Limited	0.80	0.30	0.42	0.09
Thanjavur Spinning Mill Limited	0.62	0.24	0.40	0.31
Rajapalayam Spinners Limited	-	-	0.07	-
Sri Harini Textiles Limited	0.07	-	0.09	0.02
The Ramaraju Surgical Cotton Mills Limited	1.06	0.32	0.18	0.04
Sudarsanam Estate	0.14	-	0.22	-
Swarna Bhoomi Estate	0.12	-	0.36	-
Thanga Vilas Estate	0.10	-	0.16	-
Ramco Welfare Trust	0.07	-	0.07	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.07	-	0.07	-
The Ramco Cements Limited Educational and Charitable Trust	0.33	0.12	0.33	0.16
Gowrihouse Metal Works	0.17	-	0.17	-
Gowrishankar Screws	0.21	-	0.21	-
P.A.C.R Sethurammam Charity Trust	0.34	0.03	0.34	0.06
P.A.C.R. Sethurammam Charities	0.07	0.04	0.07	0.03
JKR Enterprises Limited	0.30	0.03	-	-
<b>Income from royalty</b>				
Ramco Systems Corporation, USA	142.48	40.85	123.76	22.51
Ramco Systems Canada Inc., Canada	0.96	0.38	1.07	0.07
Ramco Systems Limited, Switzerland	22.67	5.59	26.29	2.18
Ramco Systems Sdn. Bhd., Malaysia	28.55	13.36	62.41	53.41
Ramco Systems Pte. Ltd., Singapore	70.25	46.58	23.84	35.03
Ramco Systems FZ-LLC, Dubai	129.04	83.28	57.71	37.99
Ramco Systems Australia Pty. Ltd., Australia	16.32	9.23	0.60	0.59
RSL Enterprise Solutions (Pty) Ltd., S.Africa	4.36	3.64	-	-

## Ramco Systems Limited, INDIA

Particulars	Transactions during 2014-15	Outstanding as at 31.03.2015	Transactions during 2013-14	Outstanding as at 31.03.2014
<b>Cost of services availed</b>				
Ramco Systems Corporation, USA	-	-	-	45.58
Ramco Systems Limited, Switzerland	-	15.28	-	18.02
Ramco Industries Limited	-	-	0.10	-
Ramco Systems Sdn Bhd, Malaysia	0.84	-	-	-
<b>Loans availed</b>				
The Ramco Cements Limited	-	-	2,052.50	-
<b>Loans given</b>				
RSL Enterprise Solutions (Pty) Ltd., S.Africa	68.76	60.32	-	-
Ramco Systems Australia Pty Ltd., Australia	8.54	8.03	-	-
Ramco Systems Pte. Ltd., Singapore	38.58	56.43	11.94	17.89
<b>Interest - Expense</b>				
The Ramco Cements Limited	-	-	25.12	-
<b>Interest - Income</b>				
RSL Enterprise Solutions (Pty) Ltd., S.Africa	0.09	0.09	0.12	-
Ramco Systems Australia Pty Ltd., Australia	0.02	0.02	-	-
Ramco Systems Pte. Ltd., Singapore	2.22	2.22	1.76	1.76
<b>Rent - Expense</b>				
The Ramco Cements Limited	79.69	-	79.69	-
Rajapalayam Mills Limited	0.07	-	0.07	-
<b>Sitting Fees to the Directors</b>				
P R Ramasubrahmaneya Rajha	0.04	-	0.03	-
<b>Managerial Remuneration</b>				
P R Venketrama Raja	1.17	-	1.17	-
<b>Subscription to Rights Issue 2013</b>				
P R Ramasubrahmaneya Rajha	28.09	-	-	-
P R Venketrama Raja	166.23	-	-	-
Ramco Industries Limited	100.00	-	-	-
The Ramco Cements Limited	511.50	-	-	-
R Sudarsanam	7.99	-	-	-
P V Nirmala	0.61	-	-	-
P V Abinav Ramasubramaniam Raja	5.70	-	-	-
B Srisandhya Raju	5.72	-	-	-
Rajapalayam Mills Limited	112.15	-	-	-
Virender Aggarwal	15.50	-	-	-

**Notes:** (a) Details of corporate guarantees given by the Group are given in Note Nos. 5,7.1 and 9 above.

(b) Details of the Corporate Guarantee / Undertaking given by the Company are given in the Note No.26 above.

(c) The above figures include Service Tax / VAT / CST as applicable.

**32** Amounts recovered from Subsidiaries towards expenses incurred on account of on-site employees to the extent of Rs. 107.69 Mln. (previous year Rs.66.77 Mln.) have been netted off from expenses.



- 33** The Company's shares are listed on Madras Stock Exchange Limited, BSE Limited and The National Stock Exchange of India Limited. Pursuant to SEBI Exit order No. WTM/RKA/MRD/47/2015 dated 14th May 2015 allowing the exit of Madras Stock Exchange Ltd., as a stock exchange, the shares of the company have ceased to be listed with Madras Stock Exchange Ltd., with effect from the above said order. In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2015-16 have been paid to the BSE Limited and National Stock Exchange of India Limited, where the shares of the company are listed.
- 34** Figures for the previous year have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
- 35** The figures in Rupees have been rounded off to the million in both current and previous year.

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

# Ramco Systems Limited, INDIA

## RESEARCH AND DEVELOPMENT ACTIVITIES

(Refer SI.No.29 of notes on Standalone Financial Statements)

### BALANCE SHEET AS AT MARCH 31, 2015

	Note Number	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
<b>EQUITY AND LIABILITIES</b>			
Reserves and Surplus	1	(3,439.48)	(3,063.14)
<b>LIABILITIES</b>			
Term Borrowings		2,829.44	2,480.12
Trade Payables		3.34	8.89
Other Current Liabilities		7.11	0.01
Head Office Contra Account		3,132.93	2,878.95
		<u>5,972.82</u>	<u>5,367.97</u>
<b>TOTAL</b>		<u>2,533.34</u>	<u>2,304.83</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	2		
- Tangible Assets		0.46	2.37
- Intangible Assets		2,531.77	2,299.96
<b>Current Assets</b>			
Short term loans and advances		1.11	2.50
<b>TOTAL</b>		<u>2,533.34</u>	<u>2,304.83</u>

Notes on Financials of Research & Development Activities

1 to 6

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

**C N GANGADARAN**  
Partner  
Membership No.:11205

Place : Chennai  
Date : May 29, 2015

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**G KARTHIKEYAN**  
Company Secretary

**M M VENKATACHALAM**

**V JAGADISAN**

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**SOUNDARA KUMAR**

Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

	Note Number	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2014 (Rs. Mln.)
<b>INCOME</b>			
Profit on sale of fixed assets		0.33	0.07
<b>EXPENDITURE</b>			
Employee Benefit Expense	3	9.55	-
Finance Costs	4	-	-
Depreciation and Amortisation Expense	2	365.39	309.73
Other Expenses	5	-	-
<b>Total Expenditure</b>		<b>374.94</b>	309.73
<b>Profit / (Loss) For the Year</b>		<b>(374.61)</b>	(309.66)

Notes on Financials of Research & Development Activities

1 to 6

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

# Ramco Systems Limited, INDIA

## NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2014 (Rs. Mln.)
<b>1 Revenue Expenditure of Research and Development Activities</b>		
Transferred from Profit and Loss Account	(374.61)	(309.66)
Depreciaion on Fixed Assets - Transitional adjustment	(1.73)	-
Balance brought forward from previous year	<u>(3,063.14)</u>	<u>(2,753.48)</u>
	<b>(3,439.48)</b>	<b>(3,063.14)</b>
<b>2 Fixed Assets</b>		(Rs. Mln.)

Asset Description	Gross Block				Depreciation Block					Net Block	
	As at 01.04.2014	Additions	With- drawals	As at 31.03.2015	Up to 01.04.2014	Opening adjustment	For the year	With- drawals	Up to 31.03.2015	As at 01.04.2014	As at 31.03.2015
<b>TANGIBLE ASSETS</b>											
Laptops and Desktops	32.36	0.21	5.58	26.99	30.87	1.36	0.14	5.58	26.79	1.49	0.20
Servers and Networks	46.71	-	0.52	46.19	45.86	0.34	0.25	0.52	45.93	0.85	0.26
Office Equipments	0.12	-	-	0.12	0.09	0.03	-	-	0.12	0.03	-
<b>Sub-Total</b>	<b>79.19</b>	<b>0.21</b>	<b>6.10</b>	<b>73.30</b>	<b>76.82</b>	<b>1.73</b>	<b>0.39</b>	<b>6.10</b>	<b>72.84</b>	<b>2.37</b>	<b>0.46</b>
Previous year	80.58	-	1.39	79.19	78.18	-	0.03	1.39	76.82	2.40	2.37
<b>INTANGIBLE ASSETS</b>											
Technology Platform	1,036.86	114.30	-	1,151.16	476.00	-	87.55	-	563.55	560.86	587.61
Product Software	2,724.79	481.08	-	3,205.87	1,010.27	-	271.32	-	1,281.59	1,714.52	1,924.28
Software	76.23	1.43	-	77.66	51.65	-	6.13	-	57.78	24.58	19.88
<b>Sub-Total</b>	<b>3,837.88</b>	<b>596.81</b>	<b>-</b>	<b>4,434.69</b>	<b>1,537.92</b>	<b>-</b>	<b>365.00</b>	<b>-</b>	<b>1,902.92</b>	<b>2,299.96</b>	<b>2,531.77</b>
Previous year	3,219.72	618.16	-	3,837.88	1,228.22	-	309.70	-	1,537.92	1,991.50	2,299.96
<b>Grand Total</b>	<b>3,917.07</b>	<b>597.02</b>	<b>6.10</b>	<b>4,507.99</b>	<b>1,614.74</b>	<b>1.73</b>	<b>365.39</b>	<b>6.10</b>	<b>1,975.76</b>	<b>2,302.33</b>	<b>2,532.23</b>
Previous year	3,300.30	618.16	1.39	3,917.07	1,306.40	-	309.73	1.39	1,614.74	1,993.90	2,302.33

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2014 (Rs. Mln.)
<b>3 Employee Benefit Expense</b>		
Salaries, Bonus, contributions etc.,	322.87	291.34
Staff welfare	7.64	7.48
Gross cost	<u>330.51</u>	<u>298.82</u>
Less: Product Research and Development Expenditure Capitalised	<u>(320.96)</u>	<u>(298.82)</u>
	<b>9.55</b>	<b>-</b>
<b>4 Finance Costs</b>		
Interest on loans	<u>227.42</u>	<u>270.51</u>
Gross cost	<u>227.42</u>	<u>270.51</u>
Less: Product Research and Development Expenditure Capitalised	<u>(227.42)</u>	<u>(270.51)</u>
	<b>-</b>	<b>-</b>
<b>5 Other Expenses</b>		
Postage & telephone	3.16	1.33
Power & fuel	22.45	25.46
Travel & conveyance	5.95	2.12
Consultancy & outsourcing charges	10.25	18.68
Other miscellaneous expenses	5.19	1.21
Gross cost	<u>47.00</u>	<u>48.80</u>
Less: Product Research and Development Expenditure Capitalised	<u>(47.00)</u>	<u>(48.80)</u>
	<b>-</b>	<b>-</b>
<b>6 Calculation of Total R&amp;D Expenditure</b>		
(i) Capital Expenditure for R&D (exclusive of Product Research & Development Expenditure capitalised) (Refer Note No. 2)	1.64	0.03
(ii) Recurring R&D Expenditure:		
Employee Benefit Expense-Gross (Refer Note No. 3)	330.51	298.82
Finance Costs-Gross (Refer Note No.4)	227.42	270.51
Other Expenses-Gross (Refer Note No.5)	47.00	48.80
Sub-total	<u>604.93</u>	<u>618.13</u>
<b>Total R&amp;D expenditure (i) + (ii)</b>	<b><u>606.57</u></b>	<b><u>618.16</u></b>

**RAMCO SYSTEMS LIMITED**  
**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 LLP**  
Chartered Accountants, Chennai

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ramco Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its Associate and for preventing and detecting frauds and other irregularities; the selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associate as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- a) The financial statements / financial information of a subsidiary and its step down subsidiary, were audited by us of which the accompanying consolidated financial statements reflect total assets of Rs.410.23 million as at March 31, 2015, total revenues of Rs.659.12 million and net cash flows amounting to Rs.(8.89) million during the year.
- b) We did not audit the financial statements / financial information of seven Subsidiaries, whose financial statements / financial information reflect total assets of Rs.1,085.38 million as at March 31, 2015, total revenues of Rs.1,574.27 million and net cash flows amounting to Rs.19.79 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited / reviewed by other Auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries is based solely on the reports of the other Auditors.
- c) The consolidated financial statements also include the Group's share of net profit/loss of Rs.1.81 million, for the year ended February 28, 2015, as considered in the consolidated financial statements, in respect of the Associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Associate, is based solely on such unaudited financial statements /financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
- d) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters stated in paragraph (b) and (c) above, with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate, in accordance with the generally accepted accounting practice – also refer Note No.26.1 to the consolidated financial statements.

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

- ii) The Group and its associate did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses under applicable laws or accounting standards.
- iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

**C N GANGADARAN**  
Partner  
Membership No.:11205

Place : Chennai  
Date : May 29, 2015

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### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section, of Independent Auditor's report of the consolidated financial statements.)

Our reporting on the Order in the case of consolidated financial statements, is applicable only to the Holding Company, which has been audited by us. There are no subsidiary companies or associate company to which the Order is applicable.

- (i) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year, in accordance with a phased programme of verification, which in our opinion is reasonable having regard to the size of the Holding Company. No material discrepancies have been noticed on such verification.
- (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 Holding Company and the nature of its business.
- (c) The Holding Company is maintaining proper records of inventory. No material discrepancies were noticed at the time of physical verification.
- (iii) The Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable to the Holding Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding 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 the internal control system.
- (v) The Holding Company has not accepted any deposits within the meaning of Companies (Acceptance of Deposits) Rules 2014, from the public during the year.
- (vi) The requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Holding Company for the year under audit.
- (vii) (a) The Holding Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value Added Tax and Cess and other material statutory dues as applicable to it during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are disputed statutory dues with respect to the Holding Company aggregating to Rs.79.14 Mln. that have not been deposited on account of matters pending before appropriate authorities, as under:

Name of the Statute	Nature of dues	Forum where dispute is pending	(Rs. Mln.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	0.01
Wealth Tax Act, 1957	Wealth Tax	Commissioner of Wealth Tax (Appeals)	2.31
Central Sales Tax Act, 1956	Central Sales Tax	Appellate Deputy Commissioner (CT)	0.96
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Honorable High Court of Madras	75.86

- (c) There are no amounts to be transferred to investor education and protection fund with respect to the Holding Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.
- (viii) In our opinion, the accumulated losses of the Holding Company are not more than 50% of its net worth. The Holding Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders during the year.
- (x) The Holding Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Holding Company has been noticed or reported during the year.

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

**C N GANGADARAN**  
Partner  
Membership No.:11205

Place : Chennai  
Date : May 29, 2015

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

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Note Number	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2015 (USD Mln.)	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	244.39	5.08	159.52	3.63
Reserves and Surplus	3	2,283.57	35.55	916.98	14.50
		<u>2,527.96</u>	<u>40.63</u>	<u>1,076.50</u>	<u>18.13</u>
<b>Share Application Money pending allotment</b>		<b>0.07</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Minority Interest</b>		<b>2.77</b>	<b>0.05</b>	<b>1.33</b>	<b>0.03</b>
<b>Non-current Liabilities</b>					
Long Term Borrowings	4	2,184.16	35.10	1,828.41	30.81
Deferred Tax Liability (Net)		3.10	0.05	1.23	0.02
Other Long Term Liabilities	5	-	-	2.76	0.05
Long Term Provisions	6	116.83	1.88	106.16	1.79
		<u>2,304.09</u>	<u>37.03</u>	<u>1,938.56</u>	<u>32.67</u>
<b>Current Liabilities</b>					
Short Term Borrowings	7	540.00	8.68	1,825.00	30.75
Trade Payables	8	245.29	3.94	224.04	3.77
Other Current Liabilities	9	878.12	14.11	530.09	8.93
Short Term Provisions	10	25.66	0.41	11.41	0.19
		<u>1,689.07</u>	<u>27.14</u>	<u>2,590.54</u>	<u>43.64</u>
<b>TOTAL</b>		<b><u>6,523.96</u></b>	<b><u>104.85</u></b>	<b>5,606.93</b>	<b>94.47</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Fixed Assets	11				
- Tangible Assets		139.12	2.24	152.82	2.58
- Intangible Assets		2,601.07	41.80	2,375.98	40.03
Goodwill (on consolidation)		994.51	15.98	994.51	16.76
Non-current Investments	12	5.56	0.09	3.75	0.06
Long Term Loans and Advances	13	202.52	3.26	217.58	3.67
Other Non-current Assets	14	93.51	1.50	56.54	0.95
		<u>4,036.29</u>	<u>64.87</u>	<u>3,801.18</u>	<u>64.05</u>
<b>Current Assets</b>					
Inventories	15	0.09	-	0.14	-
Trade Receivables	16	1,291.70	20.76	1,033.26	17.41
Cash and Bank balances	17	108.59	1.75	116.40	1.96
Short Term Loans and Advances	18	185.57	2.98	146.41	2.47
Other Current Assets	19	901.72	14.49	509.54	8.58
		<u>2,487.67</u>	<u>39.98</u>	<u>1,805.75</u>	<u>30.42</u>
<b>TOTAL</b>		<b><u>6,523.96</u></b>	<b><u>104.85</u></b>	<b>5,606.93</b>	<b>94.47</b>

Notes on Consolidated Financial Statements

1 to 34

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note Number	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2015 (USD Mln.)	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)
<b>INCOME</b>					
Revenue from Operations	20	3,604.86	59.47	2,630.65	43.85
Other Income	21	47.89	0.79	96.14	1.60
<b>Total Revenue</b>		<b>3,652.75</b>	<b>60.26</b>	<b>2,726.79</b>	<b>45.45</b>
<b>EXPENDITURE</b>					
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	22	0.05	-	-	-
Purchase of stock-in-trade		20.39	0.34	23.65	0.39
Employee Benefit Expense	23	1,619.66	26.72	1,353.23	22.55
Finance Costs	24	120.07	1.98	114.92	1.92
Depreciation and Amortisation Expense	11	449.40	7.41	376.57	6.28
Other Expenses	25	1,292.38	21.33	1,087.72	18.13
<b>Total expenses</b>		<b>3,501.95</b>	<b>57.78</b>	<b>2,956.09</b>	<b>49.27</b>
<b>Profit / (Loss) Before Tax</b>		<b>150.80</b>	<b>2.48</b>	<b>(229.30)</b>	<b>(3.82)</b>
Tax Expenses					
- Current Tax	27	24.45	0.40	8.33	0.14
- Deferred Tax	27	-	-	-	-
<b>Profit / (Loss) After Tax and Before Minority Interest &amp; Equity in Earnings</b>		<b>126.35</b>	<b>2.08</b>	<b>(237.63)</b>	<b>(3.96)</b>
Minority Interest	28	(1.44)	(0.02)	(0.97)	(0.02)
Equity in Earnings of Affiliates	28	1.81	0.03	1.07	0.02
<b>Profit/(Loss) For The Year</b>		<b>126.72</b>	<b>2.09</b>	<b>(237.53)</b>	<b>(3.96)</b>
Earnings per equity share (EPS) of face value of Rs.10 each					
Basic EPS (in Rs. and USD)		5.53	0.09	(14.49)	(0.24)
Diluted EPS (in Rs. and USD)		5.27	0.09	(14.49)	(0.24)
Weighted average number of Equity Shares outstanding - Basic		22,902,480		16,387,380	
Weighted average number of Equity Shares outstanding - Diluted		24,024,484		16,665,333	

Notes on Consolidated Financial Statements **1 to 34**

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

**C N GANGADARAN**  
Partner  
Membership No.:11205

Place : Chennai  
Date : May 29, 2015

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**G KARTHIKEYAN**  
Company Secretary

**M M VENKATACHALAM**

**V JAGADISAN**

**A V DHARMAKRISHNAN**

**R S AGARWAL**

**SOUNDARA KUMAR**

Directors

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2015 (USD Mln.)	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/(Loss) before tax as per Statement of Profit and Loss</b>	<b>150.80</b>	<b>2.48</b>	<b>(229.28)</b>	<b>(3.82)</b>
<b>Adjustments for:</b>				
Depreciation and Amortisation Expense	449.40	7.41	376.57	6.28
Bad debts written off	118.71	1.96	104.91	1.75
Provision for bad and doubtful debts	2.91	0.05	2.41	0.04
Finance Costs	120.07	1.98	114.92	1.92
(Profit)/Loss on Sale of Assets-Net	2.64	0.04	11.39	0.19
Interest Income	(3.69)	(0.06)	(0.62)	(0.01)
Effect of exchange difference on translation of deferred tax liability & fixed assets	1.85	2.58	(0.84)	5.49
Unrealised Exchange (Gain)/Loss	22.11	0.36	(29.70)	(0.50)
Effect of change in Foreign Currency Translation Reserve	12.95	(1.90)	15.48	(1.91)
Employee cost under ESOS	51.24	0.85	0.43	(0.01)
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>928.99</b>	<b>15.75</b>	<b>365.67</b>	<b>9.42</b>
<b>Adjustments for:</b>				
Trade Receivables, Loans & Advances and Other Current /Non-current assets	(827.54)	(11.84)	(502.88)	(5.85)
Earmarked Balances with Banks - Margin money deposit	(0.20)	-	(0.05)	-
Inventories	0.05	-	-	-
Trade Payables, Provisions and Other liabilities	132.31	1.46	79.04	0.03
<b>Cash Generated from Operations</b>	<b>233.61</b>	<b>5.37</b>	<b>(58.22)</b>	<b>3.60</b>
Taxes Paid	(14.74)	(0.24)	(6.75)	(0.09)
<b>Net Cash (Used in)/Generated from Operating Activities</b>	<b>218.87</b>	<b>5.13</b>	<b>(64.97)</b>	<b>3.51</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Addition to Fixed Assets	(447.32)	(7.19)	(402.53)	(6.78)
Proceeds from Sale of Fixed Assets	2.32	0.03	2.39	0.04
Term deposit with Banks - others	0.75	0.01	(1.05)	(0.01)
Proceeds from Long Term Borrowings for assets under Hire purchase	7.38	0.12	4.38	0.07
Repayment of Long Term Borrowings for assets under Hire purchase	(6.61)	(0.11)	(7.22)	(0.13)
Interest Income	3.69	0.06	0.62	0.01
<b>Net Cash (Used in)/Generated from Investing Activities</b>	<b>(439.79)</b>	<b>(7.08)</b>	<b>(403.41)</b>	<b>(6.80)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Share Capital on account of exercise of Employee Stock options and Rights Issue	1,273.33	21.67	8.89	0.14
Proceeds from Long Term Borrowings	600.00	8.22	1,820.00	30.63
Proceeds from Short Term Borrowings	976.92	14.28	3,597.50	55.83
Repayment of Short Term Borrowings	(2,261.92)	(36.35)	(4,625.00)	(77.93)
Finance Costs paid	(348.86)	(5.66)	(384.35)	(6.46)
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>239.47</b>	<b>2.16</b>	<b>417.04</b>	<b>2.21</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>18.55</b>	<b>0.21</b>	<b>(51.34)</b>	<b>(1.08)</b>
Effect of Unrealised Foreign Exchange Fluctuation Gain/(Loss)	(22.11)	(0.36)	29.70	0.50
Opening Balance of Cash and Cash Equivalents	108.25	1.83	129.89	2.41
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>104.69</b>	<b>1.69</b>	<b>108.25</b>	<b>1.83</b>
Earmarked Balances with Banks				
- Term Deposits held as margin money against bank guarantees	0.82	0.01	0.62	0.01
- Balance in ESOP accounts	0.54	0.01	4.24	0.07
Term Deposits - Others	2.54	0.04	3.29	0.05
<b>Closing Cash and Bank Balances</b>	<b>108.59</b>	<b>1.75</b>	<b>116.40</b>	<b>1.96</b>

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

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**

**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**R S AGARWAL**

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

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
<b>Subsidiaries</b>				
(a)	Ramco Systems Corporation	USA	98%	31 <sup>st</sup> March
(b)	Ramco Systems Limited	Switzerland	100%	31 <sup>st</sup> March
(c)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31 <sup>st</sup> March
(d)	Ramco Systems Pte. Limited	Singapore	100%	31 <sup>st</sup> March
(e)	RSL Enterprise Solutions (Pty) Limited	South Africa	100%	31 <sup>st</sup> March
(f)	Ramco Systems Canada Inc.,	Canada	98%	31 <sup>st</sup> March
(g)	Ramco Systems FZ-LLC	Dubai	100%	31 <sup>st</sup> March
(h)	RSL Software Company Limited	Sudan	100%	31 <sup>st</sup> March
(i)	Ramco Systems Australia Pty Limited	Australia	100%	31 <sup>st</sup> March
<b>Affiliate</b>				
(a)	Citiworks (Pty) Limited (earlier known as Redlex 47 (Pty) Limited)	South Africa	30%	28 <sup>th</sup> February

### 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 referred to Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable. 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.

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

## IV 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.

## V Fixed Assets and Depreciation

### A Tangible Fixed 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.

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.

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

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

Depreciation on tangible fixed assets in the books of subsidiaries is charged on a pro-rata basis on the straight-line method over the useful life of those assets.

### 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.

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

Depreciation on intangible fixed assets in the books of subsidiaries is charged on a pro-rata basis on the straight-line method over the useful life of those assets.

## VI Investments

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

## VII 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.

## 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 relating to Parent company are treated as below:

### a) 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 contributions to the said scheme are charged to the Statement of Profit and Loss. The liability for Gratuity is ascertained as at the financial year end 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.

### b) 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.

### c) 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.

### d) Provident Fund

In addition to the above benefits, all employees of Indian Company, 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.

### e) Leave Encashment

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

In respect of subsidiaries, such benefits to the extent applicable have been provided for in the books as required.

## 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 with respect to the Parent company and in respect of subsidiaries, as per applicable laws / accounting standards. Deferred tax asset arising on account of carry forward of losses is not considered.

Minimum Alternative Tax (MAT) credit asset in respect of the Parent company, is recognized only when and to the extent there is convincing evidence that the Parent 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. 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

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

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.

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2015 (USD Mln.)	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)
<b>2 Share Capital</b>				
<b>Authorised</b>				
50,000,000 (Previous year 50,000,000) Equity Shares of Rs.10 each	<b>500.00</b>		500.00	
<b>Issued</b>				
24,752,834 (Previous year 16,265,763) Equity Shares of Rs.10 each	<b>247.53</b>	<b>5.15</b>	162.66	3.71
<b>Subscribed</b>				
24,752,834 (Previous year 16,265,763) Equity Shares of Rs.10 each	<b>247.53</b>	<b>5.15</b>	162.66	3.71
<b>Paid-up</b>				
24,403,656 (Previous year 15,916,585) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	<b>244.39</b>	<b>5.08</b>	159.52	3.63
	<b>244.39</b>	<b>5.08</b>	159.52	3.63
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.				
<b>2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>				
Shares outstanding at the beginning of the year 15,916,585 (Previous year 15,737,115)	<b>159.52</b>	<b>3.63</b>	157.73	3.60
Shares issued during the year under Rights Issue / ESOS-8,487,071 (Previous year ESOS-179,470)	<b>84.87</b>	<b>1.45</b>	1.79	0.03
Shares outstanding at the end of the year 24,403,656 (Previous year 15,916,585)	<b>244.39</b>	<b>5.08</b>	159.52	3.63
<b>3 Reserves and Surplus</b>				
Securities Premium Account (includes value of forfeited shares of Rs.111,910 (previous year Rs.111,910) for 349,178 shares)	<b>3,162.47</b>	<b>65.76</b>	1,977.77	45.60
Translation reserve	<b>103.84</b>	<b>(10.38)</b>	90.90	(8.48)
Share Options Outstanding	<b>56.37</b>	<b>0.92</b>	5.12	0.07
Balance in Profit and Loss Account	<b>(1,039.11)</b>	<b>(20.75)</b>	(1,156.81)	(22.69)
	<b>2,283.57</b>	<b>35.55</b>	916.98	14.50
<b>3.1 Securities Premium Account</b>				
Opening Balance	<b>1,977.77</b>	<b>45.60</b>	1,966.61	45.41
Shares issued during the year under Rights Issue / ESOS- 8,487,071 (Previous year ESOS-179,470). Net of Rights Issue expenditure of Rs.9.28 Mln. USD 0.16 Mln. (previous year Nil)	<b>1,184.70</b>	<b>20.16</b>	11.16	0.19
Closing Balance	<b>3,162.47</b>	<b>65.76</b>	1,977.77	45.60
<b>3.2 Stock options outstanding</b>				
Gross employee stock compensation for options granted in earlier years	<b>5.12</b>	<b>0.07</b>	4.70	0.08
Add: Gross compensation options/shares granted during the year	<b>51.25</b>	<b>0.85</b>	0.42	(0.01)
Closing balance	<b>56.37</b>	<b>0.92</b>	5.12	0.07
<b>3.3 Balance in Profit and Loss Account</b>				
Opening balance	<b>(1,156.81)</b>	<b>(22.69)</b>	(919.28)	(18.73)
Depreciaion on Fixed Assets - Transitional adjustment (Refer Note No.11(4))	<b>(9.02)</b>	<b>(0.15)</b>	-	-
Current year Profit / (Loss)	<b>126.72</b>	<b>2.09</b>	(237.53)	(3.96)
Closing balance	<b>(1,039.11)</b>	<b>(20.75)</b>	(1,156.81)	(22.69)



As at 31.03.2015 (Rs. Mln.)	As at 31.03.2015 (USD Mln.)	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)
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### 3.4 Foreign Currency Translation Reserve

Opening balance	90.90	(8.48)	75.40	(6.57)
Movement during the year	12.94	(1.90)	15.50	(1.91)
Closing balance	103.84	(10.38)	90.90	(8.48)

### 4 Long Term Borrowings

Hire purchase loans, secured *	9.16	0.15	8.41	0.14
Loan from banks, unsecured **	2,075.00	33.34	1,820.00	30.67
Loan from others, unsecured ***	100.00	1.61	-	-
	2,184.16	35.10	1,828.41	30.81

\* Includes loan from Banks Nil (previous year Nil) and others Rs.9.16 Mln. USD 0.15 Mln. (previous year Rs.8.41 Mln. USD 0.14 Mln.)

\*\* Rs.2,075 Mln. USD 33.34 Mln. (previous year Rs.1,820 Mln. USD 30.67 Mln.), supported by Corporate Guarantee from The Ramco Cements Ltd., and includes a loan for Rs.200 Mln. USD 3.21 Mln., (previous year Nil), in respect of which the Corporate Gurarantee by The Ramco Cements Ltd., was executed on 1st April 2015.

\*\*\* Rs.100 Mln. USD 1.61 Mln.(previous year Nil) supported by Corporate Guarantee from The Ramco Cements Ltd.

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

### 4.2 Terms of repayment

#### Hire Purchase Loans, Secured:

These loans are repayable in 48/60 equal monthly installments from the date of disbursement. The interest and maturity profile are as under:

#### As at 31.03.2015

Rate of Interest	2018-19	2018-19	2017-18	2017-18	2016-17	2016-17	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
10.25%	0.83	0.02	1.39	0.02	1.25	0.02	3.47	0.06
10.50%	0.22	-	0.26	-	0.24	0.01	0.72	0.01
10.75%	0.18	-	1.03	0.02	1.36	0.02	2.57	0.04
11.00%	-	-	0.13	-	0.96	0.02	1.09	0.02
11.25%	-	-	0.25	0.01	0.81	0.01	1.06	0.02
11.50%	-	-	0.08	-	0.17	-	0.25	-
<b>Total</b>	<b>1.23</b>	<b>0.02</b>	<b>3.14</b>	<b>0.05</b>	<b>4.79</b>	<b>0.08</b>	<b>9.16</b>	<b>0.15</b>

#### As at 31.03.2014

Rate of Interest	2017-18	2017-18	2016-17	2016-17	2015-16	2015-16	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
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%	-	-	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
<b>Total</b>	<b>0.47</b>	<b>0.01</b>	<b>2.89</b>	<b>0.04</b>	<b>5.05</b>	<b>0.09</b>	<b>8.41</b>	<b>0.14</b>

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

### Loans from banks, unsecured:

As at 31.03.2015

Rate of Interest	2017-18	2017-18	2016-17	2016-17	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
11.75%	-	-	830.00	13.34	830.00	13.34
12.00%	-	-	820.00	13.17	820.00	13.17
10.60%	175.00	2.81	250.00	4.02	425.00	6.83
<b>Total</b>	<b>175.00</b>	<b>2.81</b>	<b>1,900.00</b>	<b>30.53</b>	<b>2,075.00</b>	<b>33.34</b>

As at 31.03.2014

Rate of Interest	2016-17	2016-17	2015-16	2015-16	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
11.75%	830.00	13.99	170.00	2.86	1000.00	16.85
12.00%	820.00	13.82	-	-	820.00	13.82
<b>Total</b>	<b>1,650.00</b>	<b>27.81</b>	<b>170.00</b>	<b>2.86</b>	<b>1,820.00</b>	<b>30.67</b>

### Loans from others, unsecured:

As at 31.03.2015

Rate of Interest	2017-18	2017-18	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
11.00%	100.00	1.61	100.00	1.61
<b>Total</b>	<b>100.00</b>	<b>1.61</b>	<b>100.00</b>	<b>1.61</b>

	As at	As at	As at	As at
	31.03.2015	31.03.2015	31.03.2014	31.03.2014
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)

### 5 Other Long Term Liabilities

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

### 6 Long Term Provisions

Provision for gratuity	17.05	0.28	16.60	0.28
Provision for leave encashment and Superannuation benefits	99.78	1.60	89.56	1.51
	<b>116.83</b>	<b>1.88</b>	<b>106.16</b>	<b>1.79</b>

### 7 Short Term Borrowings

Loans repayable on demand from Banks, secured	10.00	0.16	95.00	1.60
Loan from Banks, unsecured	250.00	4.02	1,300.00	21.90
Loan from Others, unsecured	280.00	4.50	430.00	7.25
	<b>540.00</b>	<b>8.68</b>	<b>1,825.00</b>	<b>30.75</b>

**7.1 Loans repayable on Demand, from Banks, secured consists of:**

- (a) Current year Nil (previous year Rs.10.00 Mln. USD 0.16 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.10.00 Mln. USD 0.16 Mln. (previous year Rs.85.00 Mln. USD 1.44 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 250.00 Mln. USD 4.02 Mln.(previous year Rs.1,000.00 Mln. USD 16.85 Mln.), supported by Corporate Guarantee from The Ramco Cements Limited. In respect of loan of Rs 250.00 Mln. USD 4.02 Mln. (previous year Nil), the Corporate Guarantee from The Ramco Cements Limited was executed on 18.04.2015.
- (b) Current year Nil (previous year Rs.300.00 Mln. USD 5.05 Mln., supported by Corporate Guarantee from Ramco Industries Limited).

**Loans from Others, Unsecured, consists of :**

- (a) Rs 280.00 Mln. USD 4.50 Mln. (previous year Rs. 430.00 Mln. USD 7.25 Mln.) supported by Corporate Guarantee from The Ramco Cements Limited.

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2015 (USD Mln.)	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)
<b>8 Trade Payables</b>				
Trade payables	245.29	3.94	224.04	3.77
<b>9 Other Current Liabilities</b>				
Unearned revenue	396.76	6.38	280.20	4.72
Current maturities of Long Term debt from Banks, unsecured**	245.00	3.94	-	-
Hire purchase loans, secured #	6.50	0.10	6.49	0.11
Interest accrued but not due	0.14	-	1.51	0.03
Statutory dues payable	46.77	0.75	54.38	0.92
Expenses payable	163.08	2.62	161.68	2.71
Others *	19.87	0.32	25.83	0.44
	<b>878.12</b>	<b>14.11</b>	530.09	8.93

\*\* Supported by Corporate Guarantee from The Ramco Cements Limited.,

# Secured by Hypothecation of assets ( vehicles) procured under the hire purchase scheme. Includes loan from Banks Nil (previous year Rs.0.07 Mln.) and others Rs.6.50 Mln. USD 0.10 Mln. (previous year Rs.6.42 Mln. USD 0.11 Mln.).

\* Includes advance collected from customers and payable to vendors for capital payables.

**10 Short Term Provisions**

Provision for superannuation and leave encashment	2.30	0.04	3.53	0.06
Provision for taxation	23.36	0.37	7.88	0.13
	<b>25.66</b>	<b>0.41</b>	11.41	0.19



	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2015 (USD Mln.)	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)
<b>12 Non-current Investments</b>				
<b>Trade, unquoted, long term</b>				
Investments in Equity instruments - 300 shares (previous year 300) of face value of ZAR 1 each in Citiworks (Pty) Limited, South Africa	5.56	0.09	3.75	0.06
<b>13 Long Term Loans and Advances</b>				
<b>Unsecured, considered good</b>				
Security deposits	17.35	0.28	19.21	0.33
Advance Tax and Tax deducted at source	185.17	2.98	198.37	3.34
	<u>202.52</u>	<u>3.26</u>	<u>217.58</u>	<u>3.67</u>
<b>14 Other Non-current Assets</b>				
Trade receivables, unsecured considered good	10.61	0.17	27.31	0.46
Trade receivables, unsecured, considered doubtful	114.66	1.84	147.79	2.49
Provision for doubtful trade receivables	(114.66)	(1.84)	(147.79)	(2.49)
Unbilled revenue	82.90	1.33	29.23	0.49
	<u>93.51</u>	<u>1.50</u>	<u>56.54</u>	<u>0.95</u>
<b>15 Inventories</b>				
Stock-in-trade *	0.09	-	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				
<b>16 Trade Receivables</b>				
<b>Unsecured, considered good</b>				
<b>a) Over six months from the date they were due for payment</b>				
Trade receivables	759.42	12.21	252.99	4.26
<b>b) Others</b>				
Trade receivables	532.28	8.55	780.27	13.15
	<u>1,291.70</u>	<u>20.76</u>	<u>1,033.26</u>	<u>17.41</u>
<b>17 Cash and Bank Balances</b>				
<b>Cash and cash equivalents</b>				
Cash on hand	0.11	0.01	0.32	0.01
Balance with Banks	104.58	1.68	107.94	1.82
<b>Other bank balances</b>				
Term deposits held as margin money against bank guarantees	0.82	0.01	0.62	0.01
Term deposits others	2.54	0.04	3.29	0.05
Balance in Rights Issue / ESOP/ESOS accounts	0.54	0.01	4.23	0.07
	<u>108.59</u>	<u>1.75</u>	<u>116.40</u>	<u>1.96</u>
<b>18 Short Term Loans and Advances</b>				
<b>Unsecured, considered good</b>				
Loans and advances others *	185.57	2.98	146.41	2.47
* Includes customer security deposits, vendor advances, employee advances, statutory advances and prepaid expenses				
<b>19 Other Current Assets</b>				
Unbilled Revenue	901.72	14.49	509.54	8.58

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

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2015 (USD Mln.)	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)
<b>20 Revenue from operations</b>				
Software revenue (License & Services)	3,568.39	58.87	2,606.64	43.45
Value added resale software and hardware materials	36.47	0.60	24.01	0.40
	<b>3,604.86</b>	<b>59.47</b>	<b>2,630.65</b>	<b>43.85</b>
<b>21 Other Income</b>				
Interest income	3.69	0.06	0.64	0.01
Profit on sale of assets	0.91	0.02	0.19	-
Recovery of expenses from customers	39.37	0.65	50.99	0.85
Rent income	-	-	44.03	0.73
Other Income	3.92	0.06	0.29	0.01
	<b>47.89</b>	<b>0.79</b>	<b>96.14</b>	<b>1.60</b>
<b>22 Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade</b>				
Opening stock	0.14	-	0.14	-
Closing stock	0.09	-	0.14	-
	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23 Employee Benefit Expense</b>				
Salaries, wages, bonus etc.,	1,477.29	24.37	1,249.30	20.82
Provident fund and other contributions	55.11	0.91	47.99	0.79
Gratuity and other retirals	37.52	0.62	9.98	0.17
Staff welfare	49.74	0.82	45.96	0.77
	<b>1,619.66</b>	<b>26.72</b>	<b>1,353.23</b>	<b>22.55</b>
<b>24 Finance Costs</b>				
Interest on loans	119.36	1.97	110.65	1.85
Other finance costs	0.71	0.01	4.27	0.07
	<b>120.07</b>	<b>1.98</b>	<b>114.92</b>	<b>1.92</b>
<b>25 Other Expenses</b>				
Advertisement & sales promotion	138.67	2.29	126.31	2.11
Bank charges	4.25	0.07	4.19	0.07
Bad and doubtful debts & advances	118.71	1.96	104.91	1.75
Consultancy charges	53.27	0.88	36.78	0.61
Foreign exchange fluctuation, net	39.36	0.65	(49.23)	(0.82)
Insurance	9.09	0.15	8.18	0.14
Loss on sale of fixed assets	3.55	0.06	11.58	0.19
Office maintenance	18.86	0.31	21.63	0.36
Outsourcing costs	108.11	1.78	97.31	1.62
Provision for doubtful debts	2.91	0.05	2.41	0.04

	Year ended 31.03.2015 (Rs. Mln.)	Year ended 31.03.2015 (USD Mln.)	Year ended 31.03.2014 (Rs. Mln.)	Year ended 31.03.2014 (USD Mln.)
Power & fuel	13.16	0.22	14.13	0.24
Printing & stationery	4.27	0.07	3.28	0.05
Postage, telephone and communication	58.60	0.97	49.64	0.83
Rent	209.01	3.45	218.79	3.65
Repairs - Buildings	10.64	0.18	2.81	0.05
Repairs - Plant & Machinery	21.95	0.36	12.94	0.22
Repairs - Others	23.06	0.38	4.98	0.08
Rates & taxes	43.33	0.71	33.29	0.55
Sales commission and other selling expenses	91.01	1.50	73.54	1.23
Software subscription and maintenance	1.89	0.03	7.94	0.13
Travel & conveyance	302.62	4.99	288.38	4.81
Unfructified patent expenses	-	-	0.86	0.01
Other miscellaneous expenses	16.06	0.27	13.07	0.21
	<b>1,292.38</b>	<b>21.33</b>	<b>1,087.72</b>	<b>18.13</b>

	As at 31.03.2015 (Rs. Mln.)	As at 31.03.2015 (USD Mln.)	As at 31.03.2014 (Rs. Mln.)	As at 31.03.2014 (USD Mln.)
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## 26 Contingent Liabilities and Commitments

### 26.1 Contingent Liabilities:

(a) Bank Guarantees	34.03	0.55	31.04	0.52
(b) Corporate Guarantee issued in favour of a customer of the Malaysian Subsidiary, Ramco Systems Sdn., Bhd.	31.11	0.50	29.68	0.50
(c) Corporate Guarantee issued in favour of customer(s) of the Company	6.60	0.11	-	-
(d) Disputed Tamil Nadu VAT demand:				
i) Relating to 2009-10 to 2013-14 and pending before Honorable High Court of Madras	75.86	1.22	-	-
ii) Relating to 2014-15 in respect of which no demand notice has been received	12.09	0.19	-	-
(e) Disputed Sales tax demand - pending before first appellate authority - Year 2006-07	0.96	0.02	0.96	0.02
(f) Income Tax - Pending before the first appellate authority AY:2007-08 to 2011-12	0.01	-	20.24	0.34
(g) Wealth Tax - Pending before the first appellate authority AY:2005-06 to 2007-08	2.31	0.04	2.31	0.04
(h) Other litigations	24.55	0.39	12.76	0.21

Note: The Company is engaged in development of software products, which are marketed by the Company and its overseas subsidiaries. The intellectual property rights are held by the company. There are in-built warranties for performance and support. Claims which may arise out of this are not quantifiable and hence not provided for.

### 26.2 Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account	13.03	0.21	24.57	0.41
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## Ramco Systems Limited, Consolidated (Under AS-21)

### 27 Taxation

#### Current Tax

Tax on book profits (MAT) has been provided for by the Parent company. No provision for regular tax for the Parent company (including its Branches at United Kingdom and Germany has been made in view of absence of taxable profits during the current and previous year.

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

#### Deferred Tax

The Parent company has net deferred tax assets as at March 31, 2015 and as on March 31, 2014, which arise mainly on account of carry forward losses. However, the Parent 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 2014-Feb 2015 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 of Chartered Accountants of India does not apply.

### 30 Related Party Transactions

Disclosure of Related Party transactions as per AS-18 is given below:

#### (a) Key Managerial Personnel (KMP)

1. Shri P R Ramasubrahmaneya Rajha  
Chairman
2. Shri P R Venketrama Raja  
Vice Chairman & Managing Director
3. Shri Virender Aggarwal  
Chief Executive Officer

#### Relatives of KMP

- |   |  |
|---|--|
| 1. Shri P R Venketrama Raja, Son of<br>Shri P R Ramasubrahmaneya Rajha  | 4. Smt. R Nalina Ramalakshmi, Daughter of<br>Shri P R Ramasubrahmaneya Rajha |
| 2. Smt. R Sudarsanam, Spouse of<br>Shri P R Ramasubrahmaneya Rajha      | 5. Smt. P V Nirmala,<br>Spouse of Shri P R Venketrama Raja                   |
| 3. Smt. S Saradha Deepa, Daughter of<br>Shri P R Ramasubrahmaneya Rajha | 6. Smt. B Srisandhya Raju,<br>Daughter of Shri P R Venketrama Raja           |
|   | 7. Shri P V Abinav Ramasubramaniam Raja,<br>Son of 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                  | 13. Sudarsanam Estate  |
| 2. The Ramco Cements Limited                  | 14. Ramco Welfare Trust  |
| 3. Ramco Industries Limited                   | 15. Smt. Lingammal Ramaraju Shastra Prathista Trust            |
| 4. The Ramaraju Surgical Cotton Mills Limited | 16. The Ramco Cements Limited Educational and Charitable Trust |
| 5. Sri Vishnu Shankar Mills Limited           | 17. Gowrihouse Metal Works                                     |
| 6. Sandhya Spinning Mill Limited              | 18. Gowrishankar Screws  |
| 7. Thanjavur Spinning Mill Limited            | 19. P.A.C.R Sethurammal Charity Trust                          |
| 8. Rajapalayam Spinners Limited               | 20. P.A.C.R. Sethurammal Charities                             |
| 9. Sri Harini Textiles Limited                | 21. JKR Enterprises Limited                                    |
| 10. Swarna Boomi Estate                       |  |
| 11. Thanga Vilas Estate                       |  |
| 12. Rajapalayam Textile Limited               |  |

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

(In Mln.)

Particulars	Transactions during 2014-15		Outstanding as at 31.03.2015		Transactions during 2013-14		Outstanding as at 31.03.2014	
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD
<b>Income from Sale of goods &amp; services</b>								
The Ramco Cements Limited	102.29	1.69	3.15	0.05	161.06	2.71	5.51	0.09
Ramco Industries Limited	6.67	0.11	1.63	0.03	7.22	0.12	0.40	0.01
Rajapalayam Mills Limited	1.69	0.03	1.31	0.02	1.06	0.02	0.46	0.01
Rajapalayam Textile Limited	0.19	-	0.12	-	-	-	-	-
Sri Vishnu Shankar Mills Limited	0.91	0.02	0.42	0.01	0.60	0.01	0.15	-
Sandhya Spinning Mill Limited	0.80	0.01	0.30	-	0.42	0.01	0.09	-
Thanjavur Spinning Mill Limited	0.62	0.01	0.24	-	0.40	0.01	0.31	0.01
Rajapalayam Spinners Limited	-	-	-	-	0.07	-	-	-
Sri Harini Textiles Limited	0.07	-	-	-	0.09	-	0.02	-
The Ramaraju Surgical Cotton Mills Limited	1.06	0.02	0.32	0.01	0.18	-	0.04	-
Sudarsanam Estate	0.14	-	-	-	0.22	-	-	-
Swarna Boomi Estate	0.12	-	-	-	0.36	0.01	-	-
Thanga Vilas Estate	0.10	-	-	-	0.16	-	-	-
Ramco Welfare Trust	0.07	-	-	-	0.07	-	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.07	-	-	-	0.07	-	-	-
The Ramco Cements Limited Educational and Charitable Trust	0.33	0.01	0.12	-	0.33	0.01	0.16	-
Gowrihouse Metal Works	0.17	-	-	-	0.17	-	-	-
Gowrishankar Screws	0.21	-	-	-	0.21	-	-	-
P.A.C.R Sethurammal Charity Trust	0.34	0.01	0.03	-	0.34	0.01	0.06	-
P.A.C.R. Sethurammal Charities	0.07	-	0.04	-	0.07	-	0.03	-
JKR Enterprises Limited	0.30	-	0.03	-	-	-	-	-
<b>Cost of services availed</b>								
Ramco Industries Limited	-	-	-	-	0.10	-	-	-

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

Particulars	Transactions during 2014-15		Outstanding as at 31.03.2015		Transactions during 2013-14		Outstanding as at 31.03.2014	
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD
<b>Loans availed</b>								
The Ramco Cements Limited	-	-	-	-	2,052.50	34.21	-	-
<b>Interest - Expense</b>								
The Ramco Cements Limited	-	-	-	-	25.12	0.42	-	-
<b>Rent - Expense</b>								
The Ramco Cements Limited	79.69	1.31	-	-	79.69	1.33	-	-
Rajapalayam Mills Limited	0.07	-	-	-	0.07	-	-	-
<b>Sitting Fees to the Directors</b>								
P R Ramasubrahmaneya Rajha	0.04	-	-	-	0.03	-	-	-
<b>Managerial Remuneration</b>								
P R Venketrama Raja	1.17	0.02	-	-	1.17	0.02	-	-
<b>Subscription to Rights Issue 2013</b>								
P R Ramasubrahmaneya Rajha	28.09	0.48	-	-	-	-	-	-
P R Venketrama Raja	166.23	2.83	-	-	-	-	-	-
Ramco Industries Limited	100.00	1.70	-	-	-	-	-	-
The Ramco Cements Limited	511.50	8.72	-	-	-	-	-	-
R Sudarsanam	7.99	0.14	-	-	-	-	-	-
P V Nirmala	0.61	0.01	-	-	-	-	-	-
P V Abinav Ramasubramaniam Raja	5.70	0.10	-	-	-	-	-	-
B Srisandhya Raju	5.72	0.10	-	-	-	-	-	-
Rajapalayam Mills Limited	112.15	1.91	-	-	-	-	-	-
Virender Aggarwal	15.50	0.26	-	-	-	-	-	-

**Notes:** (a) Details of corporate guarantees given by the Group are given in Note Nos. 4,7.1 and 9 above.

(b) Details of Corporate Guarantees given by the Holding Company are given in Note No.26.1 above.

(c) The above figures include Service Tax / VAT / CST as applicable.

**31** Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries and Associate:

Name of the entity	Net assets		Share in Profit / (Loss)	
	As a % of consolidated net assets	Rs. in Mln	As a % of Consolidated Profit or (Loss)	Rs. in Mln.
<b>Parent</b>				
<b>Indian:</b>				
Ramco Systems Limited	104.71	2,647.03	12.29	15.57
<b>Subsidiaries</b>				
<b>Foreign:</b>				
Ramco Systems Corporation, USA	4.90	123.85	44.78	56.74
Ramco Systems Ltd., Switzerland	3.87	97.91	2.52	3.20
Ramco Systems Sdn. Bhd, Malaysia	3.41	86.13	46.14	58.47
Ramco Systems Pte. Ltd., Singapore	(8.50)	(214.98)	(57.42)	(72.76)
RSL Enterprise Solutions (Pty) Ltd., South Africa	(1.05)	(26.45)	14.39	18.23
Ramco Systems Canada Inc., Canada	0.21	5.22	0.16	0.21
Ramco Systems FZLLC, Dubai	6.51	164.62	100.76	127.68
RSL Software Company Ltd., Sudan	(0.16)	(4.05)	(0.85)	(1.08)
Ramco Systems Australia Pty Ltd, Australia	(4.31)	(108.88)	(63.07)	(79.92)

Name of the entity	Net assets		Share in Profit / (Loss)	
	As a % of Consolidated Net Assets	Rs. in Mln	As a % of Consolidated Profit or (Loss)	Rs. in Mln.
<b>Minority interest in subsidiary</b>	(0.11)	(2.77)	(1.13)	(1.44)
<b>Associate</b>				
<b>Foreign:</b>				
Citiworks (Pty) Limited, South Africa	0.22	5.55	1.43	1.81
<b>Sub Total</b>	<b>109.70</b>	<b>2,773.19</b>	<b>100.00</b>	<b>126.72</b>
Less: Effect of inter company adjustments/eliminations	(9.70)	(245.23)	-	-
<b>Total</b>	<b>100.00</b>	<b>2,527.96</b>	<b>100.00</b>	<b>126.72</b>

- 32** Figures for the previous year have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
- 33** 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.
- 34** 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 LLP**  
Chartered Accountants  
Firm Registration No.004915S

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman

**M M VENKATACHALAM**  
**V JAGADISAN**

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director

**A V DHARMAKRISHNAN**

**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**R S AGARWAL**

**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015

**G KARTHIKEYAN**  
Company Secretary

Directors

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

## INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES

### FORM AOC-1

[Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statements of Subsidiaries and Associate Company.

### Part A - Subsidiaries :

(Rs. Mln.)

Name of the Subsidiary	Year	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit After Tax	Proposed dividend	% of Shareholding	Exchange Rate used (Rs. per unit of foreign currency)	
														B/S	P&L
Ramco Systems Corporation, USA	2014-15	USD	105.74	18.11	394.04	394.04	0.43	655.72	59.23	2.49	56.74	-	98%	62.22	60.62
	2013-14		105.74	(44.90)	276.49	276.49	0.43	694.35	38.88	0.52	38.36	-	-	59.35	60.00
Ramco Systems Ltd., Switzerland	2014-15	CHF	29.33	68.58	128.77	128.77	-	63.12	3.20	-	3.20	-	100%	63.98	65.18
	2013-14		29.33	69.31	122.55	122.55	-	89.07	23.99	-	23.99	-	-	66.50	65.02
Ramco Systems Sdn. Bhd, Malaysia	2014-15	MYR	18.22	67.91	229.90	229.90	-	338.18	76.62	18.15	58.47	-	100%	16.91	18.40
	2013-14		18.22	26.34	196.65	196.65	-	199.70	42.27	7.61	34.66	-	-	18.43	18.93
Ramco Systems Pte. Ltd., Singapore	2014-15	SGD	18.62	(233.60)	160.74	160.74	-	288.69	(72.76)	-	(72.76)	-	100%	45.09	47.10
	2013-14		18.62	(169.19)	43.87	43.87	-	147.53	(93.76)	-	(93.76)	-	-	46.92	47.48
RSL Enterprise Solutions (Pty) Ltd., South Africa	2014-15	ZAR	0.00	(26.45)	137.46	137.46	0.00	241.53	18.23	-	18.23	-	100%	5.02	5.43
	2013-14		0.00	(45.33)	101.13	101.13	0.00	265.90	(24.19)	-	(24.19)	-	-	5.48	5.83
Ramco Systems Canada Inc., Canada *	2014-15	CAD	0.43	4.79	16.20	16.20	-	3.40	0.27	0.06	0.21	-	98%	48.80	53.48
	2013-14		0.43	5.14	20.10	20.10	-	2.69	0.73	0.21	0.53	-	-	53.47	56.79
Ramco Systems FZLLC, Dubai	2014-15	AED	0.62	164.00	396.51	396.51	-	494.10	127.68	-	127.68	-	100%	16.61	16.18
	2013-14		0.62	29.51	159.94	159.94	-	205.63	21.38	-	21.38	-	-	15.84	16.01
RSL Software Company Ltd., Sudan	2014-15	SDG	2.08	(6.13)	7.19	7.19	-	-	(1.08)	-	(1.08)	-	100%	10.44	10.52
	2013-14		2.08	(4.61)	12.59	12.59	-	2.32	(5.22)	-	(5.22)	-	-	10.45	11.90
Ramco Systems Australia Pty Ltd, Australia	2014-15	AUD	14.66	(123.54)	24.81	24.81	-	105.34	(79.92)	-	(79.92)	-	100%	47.13	53.07
	2013-14		14.66	(56.31)	3.76	3.76	-	3.86	(40.61)	-	(40.61)	-	-	54.60	55.69

\* 100% Subsidiary of Ramco Systems Corporation, USA

### Part B - Associate Company

Name of the Associate	Latest audited Balance Sheet Date	Shares of Associate held by the company on the year end		Description on how there is significant influence	Reason why the associate is not consolidated	Networth attributable to shareholding as per unaudited balance sheet as at Feb 28, 2015	Unaudited Profit / Loss for the year ended Feb 28, 2015	Considered in consolidation	Not considered in consolidation
		No. of Shares	Amount of investment						
Citiworks (Pty) Limited, South Africa	Feb 28, 2014	600	Rs.0.43 mln.	By virtue of Share Holding	Not applicable	Rs.3.05 Mln.	Rs.6.02 Mln.	Rs.1.81 Mln.	Rs.4.21 Mln.

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

**C N GANGADARAN**  
Partner  
Membership No.:11205

**P R RAMASUBRAHMANEYA RAJHA**  
Chairman  
**P R VENKETRAMA RAJA**  
Vice Chairman and Managing Director  
**R RAVI KULA CHANDRAN**  
Chief Financial Officer

**M M VENKATACHALAM**  
**V JAGADISAN**

**A V DHARMAKRISHNAN**  
**R S AGARWAL**  
**SOUNDARA KUMAR**

Place : Chennai  
Date : May 29, 2015  
**G KARTHIKEYAN**  
Company Secretary  
Directors

## Overseas Locations

### North America USA

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

### Canada

Ramco Systems Canada Inc.  
Suite 2600, Oceanic Plaza  
1066, West Hastings Street  
Vancouver, BC V6E 3X1  
Canada

### South America Puerto Rico

No.1617, Ponce de Leon St  
Reperto de Diego  
Rio Piedras  
Puerto Rico 00926

### Europe Switzerland

Ramco Systems Limited  
Dorfplatz 3 P.O. Box 106  
CH - 4418 Reigoldswil, Switzerland  
Tel: +41 (0)61 205 25 25  
Fax: +41 (0)61 205 25 90  
e-mail: info@ramco.ch

### United Kingdom

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Exchange House  
494, Midsummer Boulevard  
Central Milton Keynes MK9 2EA  
United Kingdom  
Tel: +44 1908 255 989  
Fax : +44 1908 255 589  
Mobile : +78 81911231

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

### Germany

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

### Africa

#### South Africa

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

#### North Africa

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

### ASEAN Malaysia

Ramco Systems Sdn. Bhd.  
3 B – 15 – 7, Level 15 Block 3 B  
Plaza Sentral  
Jalan Stesen Sentral 5  
Kuala Lumpur - 50470  
Malaysia  
Tel : +603 22603978  
Fax : +603 2260 1978

### Singapore

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

### Hong Kong

Ramco Systems Pte Ltd.  
11th Floor, Kwan Chart Tower 6  
Tonnochy Road Wanchai  
Hong Kong  
Tel: 852-2832-2831  
Fax: 852-2838-5300

### Middle East Dubai

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

### Dubai

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

### ANZ

Ramco Systems Australia Pty Ltd  
Level 26, 44 Market St  
Sydney NSW 2000  
Australia  
Tel: +61 2 90898933

Ramco Systems Australia Pty Ltd  
Level 2, Riverside Quay,  
1 Southbank Blvd  
Southbank, VIC 3006,  
Australia.

### New Zealand

Ramco Systems Pte Ltd  
P K F Goldsmith Fox,  
Level 1,  
100 Moorhouse Avenue,  
Christchurch 8011  
New Zealand



For more information, you can e-mail us at [contact@ramco.com](mailto:contact@ramco.com) or visit us at [www.ramco.com](http://www.ramco.com)

Ramco Aviation | Ramco ERP on Cloud | Ramco HCM & Payroll

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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.

**ramco**

**Ramco Systems Limited**

64, Sardar Patel Road, Taramani,  
Chennai - 600 113, India.  
Tel: +91 44 2235 4510 / 3090 4000.  
Toll-free: 1800 425 6667

## RAMCO SYSTEMS LIMITED

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

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

CIN: L72300TN1997PLC037550, Website : www.ramco.com

PHONE : +91 44 2235 4510 / 3090 4000, Fax : +91 44 2235 2884

ramco

### NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the Members of Ramco Systems Limited, will be held on Thursday, the 6<sup>th</sup> August 2015 at 11.45 A.M.at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108 to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Statement of Profit and Loss for the year ended 31st March 2015, Balance Sheet as at that date and Cash Flow Statement for the year ended on that date and the notes, Board's Report and Auditors' Report thereon and pass the following Resolution, as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Statement of Profit and Loss for the year ended 31st March 2015, Balance Sheet as at that date and Cash Flow Statement for the year ended on that date and the notes, Board's Report and Auditors' Report thereon be and are hereby considered and adopted."

2. To appoint a Director in the place of Shri A V Dharmakrishnan (DIN: 00693181), who retires by rotation and being eligible, offers himself for re-appointment and pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Shri A V Dharmakrishnan (DIN: 00693181), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

3. To ratify the appointment of Auditor, and pass the following Resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in terms of section 139 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s.CNGSN & Associates LLP, Chartered Accountants, holding Firm Registration No:004915S, as Auditors of the Company for the second consecutive year, viz. from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, out of their term of three consecutive years as approved at the Annual General Meeting held on 28th July 2014 be and is hereby ratified."

#### SPECIAL BUSINESS:

4. To consider appointment of Smt. Soundara Kumar (DIN: 01974515), as an Independent Director and pass the following Resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Smt. Soundara Kumar (DIN: 01974515), appointed by the Board of Directors in the category of an Independent Director in the designation of Additional Director on 27th March 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers herself for appointment as a Director and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose her candidature for the office of Director, be and is hereby appointed as a Director of the Company, under Independent Director category for a period of five (5) consecutive years from the date of her appointment by the Board, viz., 27th March 2015".

5. To remunerate Shri A V Dharmakrishnan, Non-Executive Director and pass the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 197 and other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder and subject to previous approval of the Central Government if required, approval of the Company be and is hereby accorded for payment of remuneration to Shri A V Dharmakrishnan (DIN 00693181), Non-Executive and Non Independent Director of the Company, notwithstanding that it may result in the payment of total managerial remuneration in any financial year (during his tenure as a Director of the Company) in excess of the thresholds prescribed under the Act, pursuant to his exercise of upto 1,66,966 (one lakh sixty six thousand nine hundred sixty six only) employee stock options granted to him till date under various Employee Stock Option Schemes of the Company on account of his position as a Director of the Company, which exercise would result in an allotment to him of an equal number of equity shares of Rs.10/- each of the Company".

**"RESOLVED FURTHER THAT** the Board (including any Committee of the Board) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution".

By Order of the Board,  
For RAMCO SYSTEMS LIMITED

Place : Chennai  
Date : 29<sup>th</sup> May 2015

P R RAMASUBRAHMANEYA RAJHA  
CHAIRMAN

# Ramco Systems Limited, INDIA

## 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 6th August 2015).
4. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2014-15 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – [www.ramco.com](http://www.ramco.com) for their download.
5. Under Rule 18 of Companies (Management and Administration) Rules, 2014 Members holding shares in electronic mode who have not got their E-mail addresses updated with the Depository Participants are requested to update their E-mail address and any changes therein. Members holding shares in physical mode are requested to update their E-mail address, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), by writing to them at Subramanian Building, No.1, Club House Road, Chennai 600 002, or by E-mail to [investor@cameoindia.com](mailto:investor@cameoindia.com).
6. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is providing members facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting, through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - II. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
  - III. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://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](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given in points (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) Additional instructions for non-individual shareholders and custodians
    - a. Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and custodians voting for the first time are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as corporates. Corporates and custodians already registered with CDSL should use their existing login details.
    - b. After registering online, scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - c. The admin login details will be sent by CDSL. After receiving these details, create a compliance user. The compliance user would be able to link the account(s) for which they wish to vote on.
    - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - e. A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the custodian/ authorized person, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- IV. 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- V. You can also update your mobile number and E-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The remote e-voting period begins at 9.00 a.m. on Monday, the 3rd August 2015 and ends at 5.00 p.m. on Wednesday, the 5th August 2015. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz. Thursday, 30th July 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 30th July 2015.

# Ramco Systems Limited, INDIA

- VIII. 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.
- IX. The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.
- X. The scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, with in 48 hours of the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
- XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ramco.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be displayed on the notice-board at the registered office and immediately forwarded to the stock exchanges where the Company's shares are listed.

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

Place : Chennai  
Date : 29<sup>th</sup> May 2015

**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

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee had appointed Smt. Soundara Kumar as an Additional Director on 27th March 2015, under Non-Executive Independent Director category.

Smt. Soundara Kumar (DIN:01974515), holds a bachelor's degree in Science and is a Certified Associate of the Indian Institute of Banking and Finance (CAIIB). Smt. Soundara Kumar is a Director of ARCIL (Asset Reconstruction Company (India) Ltd) since 26th November 2012 and is its non - Executive Chairperson from 5th December 2012, as a nominee of State Bank of India. She has 39 years of experience in SBI in various capacities from 1975 to 2014.

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

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a member signifying his intention to propose the appointment of Smt. Soundara Kumar as a Director.

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

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

She is a director in the following other Companies:-

SI. No.	Names of the entities	SI. No.	Names of the entities
1	Asset Reconstruction Company (India) Limited	4	Sundaram BNP Paribas Fund Services Limited
2	Religare Finvest Limited	5	Shanthi Gears Limited
3	Orchid Chemicals & Pharmaceuticals Limited	6	Religare Housing Development Finance Corporation Limited

She is a Member in the following Committees:

Name of the Company	Name of the Committee	Position
Asset Reconstruction Company (India) Limited	CSR Committee	Chairman
	Nomination & Remuneration Committee	Member
Religare Finvest Limited	Nomination & Remuneration Committee	Member
	Audit Committee	
Religare Housing Development Finance Corporation Limited	Nomination & Remuneration Committee	Member
	Audit Committee	
Sundaram BNP Paribas Fund Services Limited	Nomination & Remuneration Committee	Chairman
	Audit Committee	Member
Shanthi Gears Limited	Audit Committee	Member

She does not hold any share in the Company.

A copy of the letter of appointment issued to Smt. Soundara Kumar 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 Smt. Soundara Kumar, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested financially or otherwise 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 A V Dharmakrishnan, 58 years, Non- Executive Director and Non- Independent Director, is a member of Institute of Chartered Accountants of India and qualified as a Chartered Accountant in the year 1980. Shri A V Dharmakrishnan has about 35 years of professional experience. He is currently the Chief Executive Officer of The Ramco Cements Limited (TRCL) and has been associated with TRCL for 33 years since May 1982. He has been on our Board since 31<sup>st</sup> January 2008. Considering his contribution to the Company, the Compensation Committee of the Company had granted stock options to him under various Employee Stock Option Scheme of the Company from time to time and the total stock options granted to him is 1,66,966. Out of the same, 91,966 stock options had been already vested. The stock options granted to him on various occasions is as given below:

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

## Ramco Systems Limited, INDIA

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

### Disclosure of Interest:

None of the Directors and Key Managerial Personnel and their relatives except Shri A V Dharmakrishnan is concerned or interested financially or otherwise in the 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 A V Dharmakrishnan, Director, 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 A V Dharmakrishnan:

Shri A V Dharmakrishnan, 58 years, Non- Executive Director and Non- Independent Director, is a member of Institute of Chartered Accountants of India and qualified as a chartered accountant in the year 1980. Shri A V Dharmakrishnan has about 35 years of professional experience. He is currently the Chief Executive Officer of The Ramco Cements Limited (TRCL) and has been associated with TRCL for 33 years since May 1982. He has been on our Board since 31<sup>st</sup> January 2008.

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	Rajapalayam Mills Limited	Director	4	Madurai Trans Carrier Limited	Director
2	Ontime Industrial Services Limited	Director	5	Shri Harini Media Limited	Director
3	Ramco Windfarms Limited	Director			

List of Committees in which he is a Chairman / member:

Name of the Company	Name of the Committee	Position
Ramco Systems Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Stakeholders Relationship Committee	Member
	Fund Raising Committee	Member
Rajapalayam Mills Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
Shri Harini Media Limited	Audit Committee	Member
	Compensation Committee	Member
	Nomination & Remuneration Committee	Member

Shri A V Dharmakrishnan holds 3,726 equity shares in the Company.

### Disclosure of Interest:

None of the Directors and Key Managerial Personnel and their relatives except Shri A V Dharmakrishnan is concerned or interested financially or otherwise in the Resolution.

By Order of the Board,  
For RAMCO SYSTEMS LIMITED

Place : Chennai  
Date : 29<sup>th</sup> May 2015

**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.  
 CIN: L72300TN1997PLC037550, Website : www.ramco.com  
 PHONE : +91 44 2235 4510 / 3090 4000, Fax : +91 44 2235 2884

**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 18th Annual General Meeting of the Company, to be held on Thursday, the 6th August 2015 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
<b>Ordinary Business</b>	
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March 2015
2	Appointment of director in the place of Shri A V Dharmakrishnan (DIN: 00693181), who retires by rotation and being eligible, offers himself for re-appointment.
3	Ratifying the Appointment of M/s. CNGSN & Associates LLP, Chartered Accountants, as Auditors
<b>Special Business</b>	
4	Appointment of Smt. Soundara Kumar (DIN: 01974515) as Independent Director
5	Payment of remuneration to Shri A V Dharmakrishnan, Non-Executive Director

Signed this ..... day of .....2015.

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.**

