

July 15, 2022

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor
Plot No: C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrp: RAMCOSYS

BSE Ltd.,
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrp: 532370

Dear Sir/Madam,

Sub: Submission of Annual Report 2021-22 (including the Notice of 25th Annual General Meeting and Business Responsibility Report)

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2021-22.

The Annual Report for the financial year 2021-22 is being despatched to the Members electronically who have registered their email IDs. The same is also available on the Company's website www.ramco.com.

Brief details of the 25th Annual General Meeting:

Date & Time of the Meeting	August 10, 2022 at 3.00 P.M.
Mode of the Meeting	Video Conference / Other Audio Visual Means
Cut-off date for E-Voting	August 03, 2022
E-Voting start time, day & date	09:00 a.m. on Sunday, the August 07, 2022
E-Voting end time, day & date	05:00 p.m. on Tuesday, the August 09, 2022
Website for casting the vote and to participate in the Meeting	https://www.evotingindia.com

Kindly take on record the same.

Thanking you,
Yours sincerely,

For **RAMCO SYSTEMS LIMITED**

VIJAYA RAGHAVAN N
COMPANY SECRETARY



Ramco Systems Limited

Corporate Office: 64, Sardar Patel Road, Taramani, Chennai 600 113, Tamilnadu, India.
Tel: +91 44 2235 4510 / 6653 4000, Fax: +91 44 2235 5704 | CIN : L72300TN1997PLC037550

Registered Office: 47, P.S.K. Nagar, Rajapalayam 626 108, Tamilnadu, India.

Global Offices: India | Singapore | Malaysia | Indonesia | HongKong | China | Vietnam | Macau | Japan | Philippines | Australia | New Zealand | UAE | Saudi Arabia | USA | Canada | United Kingdom | Germany | Switzerland | Spain | Sudan | South Africa

www.ramco.com



ramco



"GURUBAKTHAMANI"
SHRI P R RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Former Chairman

READ BETWEEN THE PAGES



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230

INVESTOR INFORMATION

Market Capitalization as on March 31, 2022, at BSE	₹ 8,148.74 Mln.
Market Capitalization as on March 31, 2022, at NSE	₹ 8,142.58 Mln
CIN	L72300TN1997PLC037550
BSE Code	532370
NSE Symbol	RAMCOSYS
AGM Date	August 10, 2022
AGM Venue	Virtual Meeting
AGM Mode	Video Conferencing / Other Audio Visual Means



An electronic version of this report is available online at:

<https://www.ramco.com/annual-reports>

Scan this QR code to navigate investor related information

Cautionary Statement Regarding Forward-Looking Statement

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P R Venketrama Raja

Chairman

Mr. P V Abinav Ramasubramaniam Raja

Whole Time Director

Mr. M M Venkatachalam

Independent Director

Mr. A V Dharmakrishnan

Non-Independent Director

Mr. R S Agarwal

Independent Director

Mrs. Soundara Kumar

Independent Director

Mr. Sankar Krishnan

Non-Independent Director

Justice Mr. P P S Janarthana Raja (Retd.)

Independent Director

STATUTORY AUDITORS

M S Jagannathan & N Krishnaswami,
Chartered Accountants, Tiruchirappalli

INTERNAL AUDITORS

SRSV & Associates, Chartered Accountants, Chennai

SECRETARIAL AUDITORS

S. Krishnamurthy & Co.,
Company Secretaries, Chennai

BANKERS

Axis Bank Limited
HDFC Bank Limited
HSBC Limited
ICICI Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited
Yes Bank Limited

ADDRESSES

Registered Office

Ramco Systems Limited,
No. 47, P.S.K. Nagar,
Rajapalayam - 626 108

Corporate Office, Research and Development Centre

No. 64, Sardar Patel Road, Taramani,
Chennai - 600 113

SUBSIDIARIES

Ramco Systems Corporation USA,
Ramco Systems Ltd., Switzerland,
Ramco Systems Pte. Ltd., Singapore,
Ramco Systems Sdn. Bhd., Malaysia,
RSL Enterprise Solutions (Pty) Ltd., South Africa,
Ramco Systems Canada Inc., Canada,
Ramco Systems FZ-LLC, Dubai,
R S L Software Co. Ltd., Sudan,
Ramco Systems Australia Pty Ltd., Australia,
Ramco System Inc., Philippines,
Ramco Systems (Shanghai) Co. Ltd., China,
PT Ramco Systems Indonesia, Indonesia,
Ramco Systems Vietnam Company Limited, Vietnam,
Ramco Systems Macau Limited, Macao,
Ramco Software Japan Limited, Japan,
Ramco Systems Defense and Security Incorporated, USA, and
Ramco Middle East for Information Technology, Saudi Arabia

REGISTRAR AND SHARE TRANSFER AGENT

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

REFORM AND RISE

We have surpassed our journey of 25 years. There has been no better time to innovate and digitally evolve with each passing day. In the last two years, the world has seen it all – from companies moving to a remote-working model, centered around video conferencing to extensive use of cloud integration to remain relevant and connected.

At Ramco, the challenges allowed us to transform and recalibrate our learnings to emerge better. We utilized this phase to reform our operations to focus on delivery excellence and workforce stabilization. We continued to build on our strengths and invest in automation to further improve on our execution speed.

Today, with rapid technological advances in computer sciences, artificial intelligence (AI) and machine learning (ML), we hold the promise of providing solutions to coherently deploy, combine and leverage the emerging business opportunities and deliver world-class customer experience.

KPIs OF 2021-22

USD 71.93 Mln.
Annual Revenue

13
'Mln. Dollar Plus' Deals

USD 174.10 Mln.
Unexecuted Order Book



WHAT DIFFERENTIATES US?



We are strong advocates of the belief that we are a 25-year young startup who has been constantly striving to create a value-driven and strategic transformation. We are equipped with a solid foundation, valuable partnerships and great ideas that allow us to reform and rise higher, every day. We are competitively placed to understand the evolving needs of our global customers in delivering path-breaking solutions.

Here's a gist of our initiatives that differentiates us and coins our ability to strengthen our growth trajectory.

CUSTOMER-FIRST

- Expanding presence across geographies including Europe, Japan, US, Asia, MEA and ANZ
- Renewed thrust in customer success by serving our key customers and surpassing their service expectations
- Onboarding U.S. defense veterans to ensure success at our US entity

EMPLOYEE-CENTRIC

- Establishing Talent Hub at Madurai to create a future talent pool across all business units
- Increasing focus on learning, development and trainings
- Investments in building talent force to help amplify our organization growth initiatives

INNOVATION DRIVEN

- New innovations to meet the changing business requirements through AI & ML enabled solutions
- Upgrading and updating the platform to keep in pace with the latest trends
- Focussing on next-gen design with our central brand UXD team

OPERATIONAL EXCELLENCE

- Embracing all tools and processes like RPA, test automation, DevOps, release management etc.
- Introducing better product features
- Implementing faster go-lives and quicker customer deliveries

RAMCO: A COMPELLING INVESTMENT CASE

Ramco Systems Limited (hereinafter referred to as 'Ramco' or 'the Company') is a global enterprise software Company focusing on Next Generation Cloud Enterprise Applications. Being one of the first IP led companies in APAC, Ramco provides futuristic innovative digital solutions that enable organizations to transform with ease and flexibility.

Part of **\$1B**

Ramco Group of Companies

1,000+

Clients

700+

Women workforce

28

Global offices

900+

Employees in the age group of **31-50**

2,000+

Employees

12 Patents

In Enterprise Application Space in last **2** decades

15,000+

Users

Global leadership

Ramco has been consistently delivering measurable business value in ERP covering Asset Management, Maintenance Service Providers, Logistics Service Providers, Aviation MRO (Maintenance, Repair and Overhaul) and M&E (Maintenance & Engineering), Aerospace & Defense, and Global Payroll & HR on the most appropriate deployment model – Cloud, (public, private), On-Premises or as Managed Service. Over the years, we have been providing expertise and executional excellence in simplifying the digital transformational journey of our clients across the world.

Driven by innovation and culture

Innovation and culture differentiate us from the marketplace and have won us accolades from our global clientele and partners. We are in a constant mission to leverage our technological expertise, and domain knowledge, acquired over 25 years, to empower every user across the enterprise to realize business outcomes.

With a diversified workforce

At Ramco, our priority has always been to develop our key assets - our people and create thought leaders within the Company. We take immense pride in our diverse workforce and value them for the experience and skill sets that they bring with them. Our multi-cultural workforce is spread across 28 offices belonging to 20 nationalities including Americans, Australians, British, Chinese, Filipinos, Germans, South Africans, Vietnamese and others. This multi-diverse workforce is headed by our Executive Leadership Team (ELT) comprising of leaders from various verticals of the Company, who believe in distributed leadership. The ELT is a strong backbone of the Company and acts as a guiding light at all forefronts, while ensuring constant innovation, creativity and measurable value in what the Company delivers each time. Part of the ELT, our Product Heads, Business Heads and Functional Heads bring along years of expertise which directly reflects in our services.

Leading to delivering customer delight

Our next-generation, end-to-end enterprise solutions built on Ramco VirtualWorks®, infused with AI & ML, chatbots, cloud, mobile and event-driven ERP, allows us to cater to the ever-changing business dynamics, thereby driving efficiency, and leading to customer delight.

35+

Countries – client presence

20

Countries with legal entities



CONTRIBUTION TO REVENUES IN 2021-22



APAC: 33%



INDIA: 23%



US: 25%

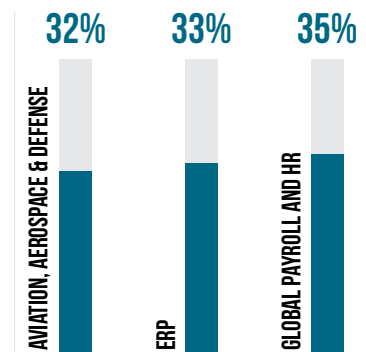


MIDDLE EAST & AFRICA: 13%

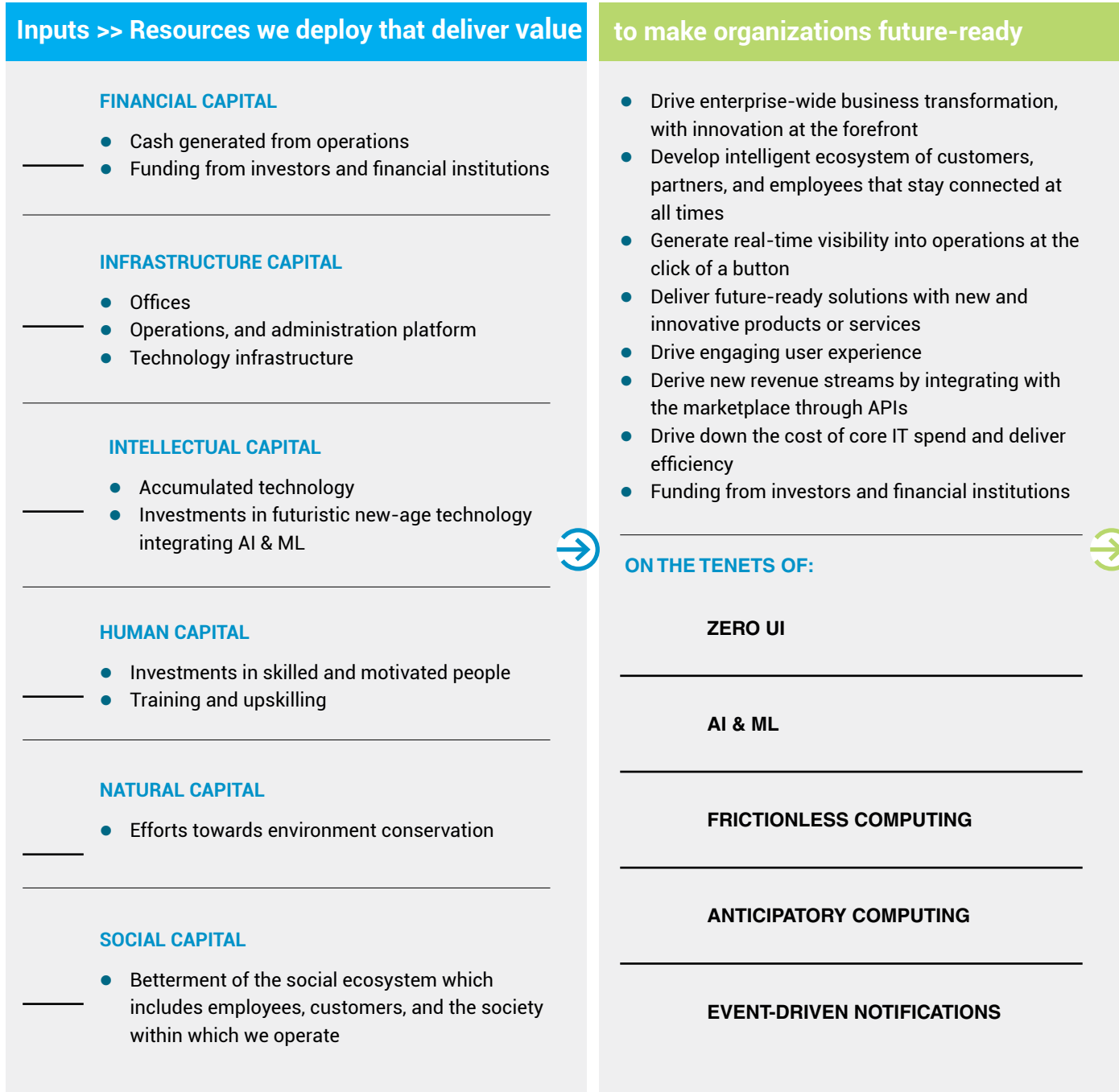


EUROPE: 6%

REVENUE BY VERTICALS



BUSINESS MODEL: DELIVERING VALUE FOR A PROMISING FUTURE





Value-enablers

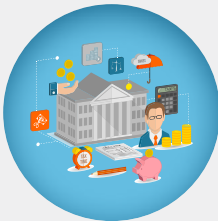
RAMCO INNOVATION LAB (FOR ALL DIGITAL INTERVENTION TOOLS)



CULTURE



GOVERNANCE



RISK MANAGEMENT



Outcome >> Impact of value creation

INTERNAL

- Employee satisfaction
- Strengthened organizational reputation
- Internal job posting
- Training and Development

FUTURE-READY FEATURES

- Customer satisfaction
- Brand loyalty
- Positive environmental impact
- Social responsibility
- Strong customer base



Sustainable Development Goals (SDGs) Supported



CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

On behalf of Ramco Systems Limited, I extend my warmest greetings to you. I hope you and your family are safe and in good health. It gives me a great pleasure to present to you my perspective for the year gone by.

We at Ramco believe that true Digital Transformation is all about having complete visibility on all aspects of operations of an enterprise. This will enable an enterprise to respond to rapidly changing situations in real-time, bring in dramatic improvements in customer satisfaction and improve profitability. Our product architecture and the extensive IP which we have assimilated over the years has enabled us to start delivering this to our customers.

HOW THE PAST YEAR SHAPED US?

At Ramco, we witnessed a temporary slowdown in order

bookings, especially from the Asian regions, owing to successive waves of the pandemic. This led to a delay in closure of orders. While the year brought in its own set of challenges, we utilized this time to reform our operations to focus on delivery excellence and stabilize our workforce.

With effects of the pandemic receding and markets returning to normalcy our primary focus has been to capitalise to our key strengths and to emerge stronger and fitter for growth. With our multiple initiatives aimed at increasing efficiency and end user engagement levels, we are in a better position to take advantage of the emerging business opportunities in the new financial year.

Our investments in the automation of implementation and deployment processes have resulted in reliable and faster project deployments and thereby improving our ability to

provide enhanced customer experience.

The Company has restructured the management team by appointment of a core leadership team. We further initiated this restructuring for the business to scale-up through implementation of high-quality, cross-functional teams across businesses and geographies. We focused on hiring new talent across all levels to reinvigorate our workforce.

Details about our progress across each business vertical is covered in the Management Discussion and Analysis chapter of this report.

WHAT MAKES THE DAYS AHEAD EXCITING?

The fast-paced digital innovation is profoundly changing the existing industries and markets at a rate never experienced before. At Ramco, we are enabling organizations to drive digital transformation to market faster, create reimagined experiences and reduce tech development costs.

We are witnessing greater interest emerging in our product lines and are gearing up for this positive business momentum. We have made significant improvements by automating our engineering and testing processes through complete adoption of DevOps across our products and support systems. This helps us vastly improve our development, implementation and support capabilities to address the complex needs of our customers.

PEOPLE – THE DRIVERS OF OUR FUTURE GROWTH

At Ramco, we strongly believe in a diverse workforce, fostering development, diversity, inclusion and equality. However, quite similar to our peers in the industry, high attrition rates impacted our organization as well. Battling through the demand for digital talent, we undertook some steps/ course corrective measures to address the high attrition and retain the best of our talent. We added over 60% of new workforce since the pandemic, with 200+ recruits joining from global locations outside India, implemented Adaptive Compensation Structuring, renewed Performance Management and Rewards System, and launched an efficient and smooth back to office transition

To make sure that the mental health of our employees is not affected, we also provided support through an Employee Assistance Program. Virtual Counselling, Coaching and Mentoring sessions were offered to employees to ensure their well-being and prepare them for their next growth curve.

COMMITTED TO CREATING VALUE

We continue to deepen our presence in our core areas of Human Resources and Global Payroll, Aviation, ERP and Logistics offerings. We also look forward to making further inroads in the allied areas such as MRO, Defense and E-VTOLs in the aviation business and expand geographically.

Our Payroll platform which is capable of processing payroll for over 60 countries is getting enriched by adding more countries to the platform. With increased automation, customer deliveries are becoming faster, leading to quicker go-lives. Our Aviation, Aerospace and Defense offering continues to gain attraction across the globe. In order to realise the potential for the Aviation product in the defense sector, a wholly owned subsidiary to cater to the defense sector has been set up in the United States. The Enterprise Software business continues to focus on niche industry verticals, where we have proven capabilities like asset and service intensive industries. We have successfully demonstrated our ability to deliver complete digital transformation to large enterprises in these areas. Last but not the least, our Logistics product is attaining maturity and our current focus is to build our capability to handle complex implementations, and to scale up this business. Given the importance of the logistics sector and the strength of our offering, we see very good potential for growth for this unique product line.

I would like to take this opportunity to thank our deeply committed employees across the organization for their unwavering faith, hard work and passion to the organization's vision. This commitment from employees has helped Ramco Systems remain resilient. I sincerely thank our investors and shareholders for their continued trust and confidence in the Company. We are grateful to our Board of Directors, partners, bankers and other stakeholders for their undeterred encouragement and support. We are confident of scaling newer heights as our team stands with us despite all adversities and we march towards our goals together.

Warm Regards,

P R VENKETRAMA RAJA
CHAIRMAN

MESSAGE FROM COO



Technology is the biggest driver of change across the globe today and we at Ramco are persistently working towards helping our clients embrace this change. The next-gen innovation infused into our enterprise offerings through bots, real-time personalization (using AI), auto-configuration, and responsive user interfaces, with minimal clicks, will create value for our customers and help them rise in the digital world.

At Ramco, we make commendable difference in our offerings across human resources and payroll, aviation, logistics, and ERP offerings. For instance, in the payroll segment, we try to simplify the typical day in the life of payroll processing teams across organizations. We ensure that the mammoth task of manually processing and verifying payroll is done away with. As a means to this end, Ramco's AI based Anomaly & Reasoning Engine aims to identify differences/errors in computation based on past data. Our Reasoning Engine identifies valid changes impacting payroll and categorises them based on severity.

With business sentiments being positive, the engagement levels continued to remain robust and encouraging as we closed the year with order bookings of USD 64.78 Mln. and 13 'Mln.-Dollar-Plus' deals. As a sign of operational strength of our business, we commenced as well as ended the year with zero borrowings, while we also lowered our unbilled revenue, in spite of the stress on revenue and order booking.

The key focus remains on reforming operations and delivering excellence. We look ahead to FY23 and are competitively placed with our capabilities.

We begin the next fiscal with building excellence in our operations and momentum towards delivering healthy numbers across all SBUs while acquiring new clients from around the world. Our mission remains to expanding our country footprint, customer delight and leveraging full potential of AI and ML across our operating domains.

SANDESH BILAGI
COO

OPERATING ENVIRONMENT

Several companies across the globe, using the legacy ERP solutions are realizing their limitations, including inflexibility, higher cost and low innovation. These limitations became more pronounced when the pandemic forced many businesses to operate remotely, deeming on-premise solutions insufficient, if not totally obsolete. As a result, more and more businesses are now opting for cloud-based solutions. Some of the emerging trends include:

#TREND 1 HIGHER PERSONALIZATION

The world is shifting from 'one-size-fits-all ERP' to a more extensive, personalised, user-friendly application to address the dynamic needs. With the growth of new technologies, customers are looking forward to seamlessly integrating their businesses by potentially reshaping the ERP landscape and demanding higher personalization.



#TREND 2 REAL-TIME DATA ANALYSIS AND ACTIONS

The world is shifting from 'one-size-fits-all ERP' to a more extensive, personalised, user-friendly application to address the dynamic needs. With the growth of new technologies, customers are looking forward to seamlessly integrating their businesses by potentially reshaping the ERP landscape and demanding higher personalization.



#TREND 3 MOBILE SUPPORT

Mobility, which was once considered an 'extra' feature, has now become the need of the hour. The prevalence of the cloud has enabled integrating functionalities of ERP with mobile phone for real-time data communication. It allows the organizations to monitor the business functions and proactively set strategies to minimize business losses. With most companies adopting remote/hybrid work culture during the pandemic, accessing ERP platform via mobile became prominent.



#TREND 4 EFFICIENCY AND COST COMPETITIVENESS

Businesses all over the world are continuously striving to optimise their business processes in order to increase operational efficiency while controlling operating costs. The organizations are now focussing on technological breakthrough that can lead to a centralized solution to manage a variety of business processes and drive efficiency. This necessitates the need of a new-age ERP that understands the businesses as well as the sector-specific processes.

RAMCO'S OFFERINGS AND PREPAREDNESS

SECTORS

AVIATION, AEROSPACE & DEFENSE

LOGISTICS

CEMENT (& ALLIED)

FACILITIES MANAGEMENT

STAFFING & PROFESSIONAL SERVICES

NEXT-GENERATION TECHNOLOGY

ZERO UI

AI & ML

FRICTIONLESS COMPUTING

EVENT-DRIVEN NOTIFICATIONS

UNIVERSAL PERSONALIZATION ENGINE (UPE)



BUSINESS REVIEW

RAMCO GLOBAL PAYROLL AND HR – FOR NEXT-GEN EMPLOYEE EXPERIENCE

Several companies across the globe are using a 'tech-powered' HR and payroll solution for smarter employee management. Modern HR applications have rapidly evolved and are able to deliver automated core functions, optimizing employee productivity and experience.

FUTURE-READY FEATURES

- Payroll platform leveraging AI & ML
- Mobility and Chatbots led self-service
- Advanced payroll analytics and global insights
- Multi-model delivery
- Digitally enabled and automated Managed Services

We, at Ramco ensure that payroll management is no more a daunting task because there are several other crucial tasks, apart from disbursing salaries, and a few others that are associated with it. Thus, we constantly innovate to deliver a robust payroll platform, by integrating technology with core HR and payroll functions to reform operations and reduce the workload of organizations.

During the year, we invested in developing numerous features, leveraging AI & ML, to answer queries raised by the employees. We further simplified the process of HR helpdesks, with the launch of Self Explaining Payslip – a smart, AI-based service that lets employees seek explanations of their compensation and payslip components. The feature helps employees receive prompt and personalized responses to their payroll queries, without having to write to a payroll helpdesk and wait for a response. This reduced the dependency of employees on their payroll helpdesk/ BPO support by more than 50%, thereby driving better employee experience and higher productivity of payroll teams.

We further improved the accuracy of payroll through error detection at a very early stage. Owing to our presence in various geographies, we executed In-Country Provider (ICP) model to provide a seamless experience to companies across the globe by being their local processing companies. With this Ramco Global Payroll now covers 60+ countries on its own platform and 100+ countries through partner network. Our strategic partnership with Workday further helped our customers with a seamless integration with Workday Human Capital Management (HCM). Several other key developments have been detailed in the MDA section of this report.

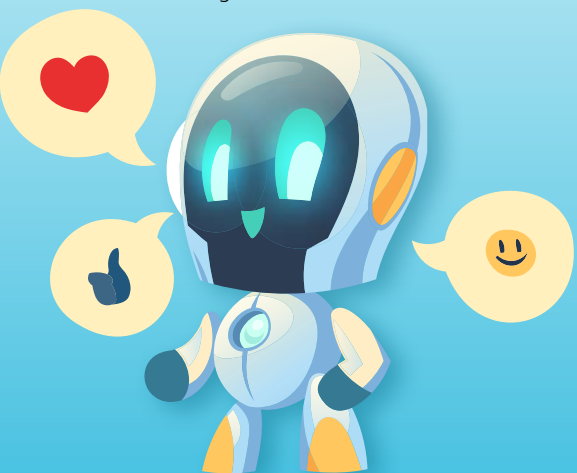
We look forward to increasing our presence in Japan, as the geography offers a lot of potential for large multinational deals. Besides having strong presence in the Asia Pacific, Middle East, and Oceania, we now intend to strengthen our footprint in the European and US markets as well.

17%

Growth Rate

As per the insights from Everest Group, the multi-country payroll solutions market is expected to record a market size of USD 4 Billion, with a shift toward an employee-centric payroll, during the forecast period 2023.

(Source: <https://www2.everestgrp.com/>)





RAMCO AVIATION — READY TO TAKE OFF

Ramco's integrated end-to-end Aviation Maintenance & Engineering/ Maintenance Repair & Overhaul solution supports the needs of MROs, Defense, Heli operators, Electric Vertical Takeoff and Landing (eVTOL), Drones/Unmanned Aircraft Systems (UAS), and Airlines. It allows the customers to benefit from streamlined and optimized processes across the organization, reduced turnaround time (TAT) of aircraft maintenance, improved operational efficiency through migration to paperless operations, and improved overall aircraft availability and mission readiness.

During the year we fast-tracked implementing Ramco Aviation software and went live at several global customers. We released the upgraded software version 5.9.5 with advanced capabilities on 3rd party Engine and component MROs. We further set up a wholly-owned subsidiary in the United States to focus on the defense sector. Several other key developments have been detailed in the MDA section of this report.

Going ahead, we aspire to dominate the third-party MRO and Defense sectors, with the U.S. and Europe contributing significantly to these segments.

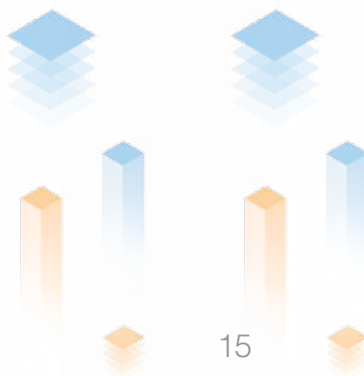
4.5%
CAGR

As per Fortune Business Insights, the global aviation MRO software market is projected to grow at a CAGR of 4.5% between 2021-2028.

(Source: <https://www.fortunebusinessinsights.com>)

FUTURE-READY FEATURES

- Integrated
- Modular
- Flexible
- Paperless with Mobile App
- Defense Compliance
- Next-gen technologies



New technology is revolutionizing aviation across the world. It is reshaping the legacy processes with robotics, artificial intelligence, internet of things, big data, automation, biometrics and other technological improvements leading to a transformative change

4,000+
Aircraft

24,000+
Users Globally

7 of top 10
Helicopter companies
(by fleet size) in US
run on Ramco



RAMCO LOGISTICS – DRIVING FUTURE MOMENTUM

The logistics industry is well poised for consistent growth and modernization. It has witnessed several transformations as new technologies provide opportunities to more efficiently manage the movement and storage of goods, improve visibility and achieve on-time delivery. Besides, analytical data sources, it further allows companies to drive high levels of customer service and strategic decision making.

The logistics industry is expected to witness strong growth and at Ramco, we believe that there is a lot of room for optimization in the industry. Our customers have steep aspirations going forward. We have a unique offering specifically designed for Logistics Service Providers. Our integrated product offering (transport, warehousing, finance, asset management) and flexible product-plus-service approach gives us a point of differentiation that our customers value. We have a good base of customers in Australia & New Zealand and APAC regions.

During the year, we stabilized our presence with our existing clients and strengthened our relationships and partnerships with them. Ramco's primary focus was to ensure outstanding delivery to its existing clients to build a foundation of trust, loyalty, and companionship. Several other key developments have been detailed in the MDA section of this report.

Going forward, we aim to rapidly expand our presence in our core markets – Australia & New Zealand and APAC, to establish a leadership position in 2-3 countries over the next 2-3 years. In addition, we are enhancing our product with container management capabilities – Container Yard Management capability that covers end to end needs at Container Freight Station (CFS) / Inland Container Depots (ICD). We are investing purposefully in ensuring high stability of our product.

75%+

According to Gartner, over 75% of commercial supply chain management application vendors will deliver embedded advanced analytics (AA), AI and data science by 2026.

(Source: <https://www.gartner.com>)

8,000+

Real-time management of Road transport fleet

FUTURE-READY FEATURES

- Complete suite of products including Transportation Management System (TMS), Warehouse Management System (WMS), Hub Management, Fleet Management, Integrated Billing, Command Center, Mobility Solutions
- Lower manual efforts
- Unified Ecosystem
- Powered By AI & ML
- Zero UI
- Dynamic Optimization
- Real-time tracking
- Achieve compliance
- Universal Personalization Engine
- Automated email form fills with alerts and notifications
- Anomaly detection to detect errors
- Smart Chatbots



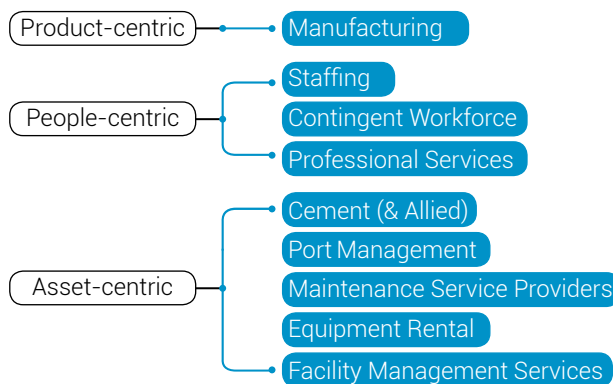
RAMCO ERP — READY FOR THE FUTURE

Our solutions are delivered across various industry segments like asset-heavy industries including cement & RMC (ready mix concrete), ports, heavy equipment rental, and people-centric businesses like staffing, and professional services companies like IT/ITES, management consulting firms, BPOs, facility management companies, and contractual labor-intensive industries. Additionally, the entire suite of our products is easily connected over the net and accessible across the globe through any device.

For our asset-centric industries, we have successfully brought to the table, new features like smart adaptive forms, data defaulting, anomaly detection, Universal Personalization Engine (UPE), Zero UI, and interactive dashboards, among others, for an enhanced user experience. Moreover, for our contract labour management clients, we have addressed the needs of ever-increasing contingent workforce as the world moves to a gig economy. Several other key developments have been detailed in the MDA section of this report.

Going forward, in this segment, we will continue to explore business opportunities in the niche industry verticals to replace the legacy systems and also focus on delivering real-time information and integration.

Verticals addressed



FUTURE-READY FEATURES

- Complete suite of products including Transportation Management System (TMS), Warehouse Management System (WMS), Hub Management, Fleet Management, Integrated Billing, Command Center, Mobility Solutions
- Unified Ecosystem
- Powered By AI & ML
- Zero UI
- Dynamic Optimization
- Lower manual efforts
- Real-time tracking
- Achieve compliance
- Universal Personalization Engine
- Automated email form fills with alerts and notifications
- Anomaly detection to detect errors
- Smart Chatbots

Digital transformation has taken the world by storm and every business across the globe has undergone a massive digital disruption over the years. As companies expand and their requirements change on a daily basis, we at Ramco, bring all the different processes on the table together in one fluid system. Our ERP system doesn't just offer an integrated suite within our clients' legacy applications, but also bundles with their productivity tools and customer engagement solutions. It helps them reform their operations and integrate all their data for better insights that help them optimize processes across their entire business.

Global Cloud ERP Market

17.10%
CAGR

Source: Vantage Market Research

PEOPLE — OUR PRIDE



Ramco has always taken pride in being called a people-centric organization where we stand true to our ethics and give immense importance to diversity, equality and inclusion. Our practices consist of shared beliefs and values established by leaders and communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviors and understanding.

COVID-19 in one way has also changed the way leaders interact with employees and how co-workers connect with each other. We have simplified our communication and methodologies so that our employees feel at ease and experience the comfort of working with us. We lay emphasis on providing overall development of our staff members, ensuring their safety at all times and providing them with an environment to climb up the ladder of success.

TALENT ACQUISITION

We, at Ramco, have always believed that retaining the right talent in the organization works as a multiplier strategy for all our efforts. Thus, as a first step, we ensure that we attract and recruit the right people in the organization and as a next step, create an environment that fosters professional and personal growth. Our recruitment processes are streamlined using the latest technology so that our employees can use it, save time and focus on other aspects of their employment.

We also onboard some of our recruits digitally and eventually provide them with a virtual training so that they are well-equipped with the knowledge and information that is required by them to perform towards a common goal.



HEALTH AND SAFETY

While COVID-19 tested the resilience of all our employees, their undying faith in the Company kept them going. As a responsible organization for which their employees are their topmost priority, we went beyond all means to provide a safe and hygienic environment for all our employees. During the year, we adopted the following measures to ensure complete safety of all our employees:

- Mandatory wearing of masks during office hours;
- Installation of sanitisers at various places throughout the Company
- Trained the staff to follow COVID-19 protocols;
- Updated employees on a regular basis on COVID related infrastructure facilities
- Regular sanitization and deep cleaning of the office premises;



- Installed a Facial Recognition system for attendance to enable a touchless entry.

To make sure that the mental health of our employees is not affected, we also provided support through an Employee Assistance Program. Dedicated counsellors and virtual counselling sessions were offered to employees to ensure their well-being.

PROFESSIONAL TRAINING

Our efforts towards Learning and Development of our employees have been consistent during all the years. During the year, we organized the following programs for our employees to ensure their career growth:

1. Leadership Workshops for employees falling under grades 9, 10 and 11. These workshops were a 3-month program on three topics revolving around leading self and team, leading business, and leading customers
2. Microsoft SQL Server Master Class Series for all tech and R&D employees covering 37 topics in 24 sessions
3. Team Building sessions for support teams
4. Coaching and Mentoring sessions for employees falling under grades 7, 8 and 9, to better prepare them for their next growth curve
5. All employees were given a 3-month LinkedIn Learning access to create and promote a culture of learning. Monthly challenges were set with 5minutes of learning every day
6. Access to leading digital e-magazines, to create a culture of book reading





UNIQUE SITUATIONS INNOVATIVE OFFERINGS

1 LIVE CASE

A global consulting company providing solutions in strategy, consulting, technology and operations, across 40+ industries.

With 4,50,000+ people serving clients in over 120 countries, the company drives innovation to improve the way the world works and lives. Ramco Systems implemented its Digitally Managed Payroll Services powered by Ramco's Global Payroll platform at the Global Consulting firm, helping them achieve efficient payroll processing and reporting. As the largest and most diversified IT & BPO players in the Philippines, the consulting company had the following payroll related tasks to accomplish:

- Payroll processing of 75,000+ employees every 15 days
- Handle 900+ pay components, which included 80+ types of overtime
- Deal with 100K+ recurring pay components, 200K+ non-recurring pay components and 200K+ overtime-based inputs
- All of this had to be done with just a 5-7 day cut to payments

With Ramco onboard, some of the key business benefits the organization reaped are:

- **Accurate:** Ramco's Artificial Intelligence infused Global Payroll solution detects payroll anomalies, processing high volumes of employee data and payroll for 60,000+ employees with over 99% accuracy
- **Timely:** Automated payroll reduces efforts significantly- payroll processing time slash to less than half. Now down to 5 days, from 12 days
- **Simple & Easy:** Ramco Global Payroll streamlines and automates payroll processes- making the seemingly complex task look easy
- **Well-integrated:** Integrated with legacy applications, Ramco's Global Payroll solution covers over 900+ pay components and extends the ability of the solution to develop 100+ custom reports covering Payroll Controls, SOX Compliance, Statutory and much more

Given the sensitivity of payroll data and the need to protect the salary of employees across various pay bands, Ramco helped process payroll in separate processes for separate bands.

2 LIVE CASE

Ramco Systems carried out DLF's extensive digital transformation. The Company executed an organization-wide transformation program to upgrade the real-estate giant's current 14-year-old ERP to an AI & ML-powered ERP. The digital transformation program aimed at enabling DLF to migrate its 14 years of legacy data residing across 480+ companies and 700+ organization units, onto a flexible, scalable and agile digital platform. Through the digital transformation, the real estate giant is able to adapt to the shifting market dynamics, changing customer needs and drive faster growth, through complete visibility into its core business processes, superior project tracking, improved reporting and optimized systems.

FUTURE IS SUSTAINABILITY



At Ramco, we are cognizant of our duty towards society and consider Environmental, Social, and Corporate Governance (ESG) strategy as an opportunity to positively impact the world we live in. Every day, our products and services play a central role in creating an impact on our customers across more than sixty countries. Now, we are working towards embedding a sustainable business strategy across the Company and our operations and are committed to building a positive impact on our employees, customers, shareholders and the communities in which we work.

We strive to run our Company in an ethical way, ensuring long-term success while adhering to our corporate social responsibility commitments. Ramco's ESG objectives are an essential aspect of who we are as a Company. They are crucial to ensuring the well-being of our workers and the community at large while also fostering a positive work environment. Ramco's sustainable business strategy aligns with our core purpose and focuses on two critical areas. These areas include E (Environmental) and S (Social) of ESG, which means taking the initiative for environmental sustainability and executing of a strategy for superior diversity and inclusion across all our business units.

With our fundamental beliefs in mind, Ramco is committed to making a difference by conducting our business ethically and morally with our unique and very competitive team. We strive for equality, fairness, and are pledged to do the right thing in everything we do.

ENVIRONMENT

At Ramco, we strongly believe that we are only tenants on the planet Earth and it is our ultimate responsibility to hand over the planet in its intact position to our future generations. Owing to the negative consequences of global warming, climate change and loss of natural resources, we have been taking suitable measures to reduce our carbon footprint and manage waste in the most optimum manner. Ramco's environmental sustainability plan over the next 1 to 3 years is designed to manage and monitor our business's impact on the environment – both in our own operations and those in our supply chain. Our plan covers managing and monitoring use of energy and water, offsetting our carbon footprint, and prevention of pollution, waste and recycling.



Our initiatives towards this mission include:

INNOVATION IN PRODUCTS:

We are continuously innovating our software products in a way that can cater to our clients' sustainability needs. For example, the use of Ramco's Transport Management System results in fleet efficiency, making our customers more environmental friendly through our technology that eventually helps reduce emissions and fuel consumption. Our payroll system provides multifaceted access to employee's payslip on their devices, reducing the need to print payslips and reducing wastage of paper.

BEING ENERGY-AWARE:

We purchase energy-saving models of office equipment such as computers, LCD monitors, and printers and keep all equipment well maintained and at their highest efficiency. We also encourage everyone to switch off all their equipment at the end of the workday. We also assess and make decisions based on the heating and cooling systems and carbon emissions in our existing office building or when we sign a new lease for any office globally.

PROMOTING SUSTAINABLE TRAVEL AND REDUCING SCOPE 3 CARBON EMISSION:

We encourage our employees to bike, walk, or take public transport where feasible. Ramco has also developed a well-suited remote software implementation practice that reduces the need for travelling, resulting a reduction in scope 3 carbon emissions. We constantly reassess business travel requirements and consider video conferencing instead of air travel. For the same reason, Ramco has invested in superior video conferencing technology.

SUSTAINABLE PROCUREMENT:

Ramco is committed to purchasing eco-label products. We prefer to partner with companies that have a sustainability policy as well.

WASTE REDUCTION:

We send all old and outdated computers and other electronic equipment for e-waste recycling at centers or donate them to charity (if they are in working conditions). We educate and encourage everyone to only print documents if necessary. We also promote use of the two-sided print feature and reduce paper usage by converting as much as possible to digital channels. We also have a recycling programme for cans, plastic, and glass, in place.

SOCIAL

Social well-being is of prime importance to the Company. Thus, we ensure ultimate integrity in our actions towards our employees, clients, business partners, shareholders and all other stakeholders. Our policies speak volumes about our concern for our workforce and stakeholders.

We ensure that each of our employees is treated with respect and there is diversity and inclusion at all fronts. We take various measures to ensure employee enrichment and progress at all fronts.



Some notable aspects towards this direction include:

CUSTOMER SATISFACTION

Our customers vest a huge responsibility on us to serve them in the best possible manner. Accordingly, we match up to their expectations and get indulged in meaningful engagement at all stages with our customers. We make sure that our customers are satisfied with our services and if required, our support team is available to assist them at all stages to ensure proper implementation of their requirements. We further conduct structured surveys and implementation of insights provided by our customers.

Our customers have unwavering faith in us and vouch on us for all their technological needs. Moreover, being engaged with them at a professional level allows us to develop a thorough understanding of their needs which helps us serve them better.

DATA PROTECTION AND PRIVACY

As more and more social and economic activities have place online, the importance of privacy and data protection is increasingly recognized. At Ramco, we go miles beyond the regulatory compliances. We wish to build trust with our customers and stand out from others. In line with this, the Company has devised a set of strategies and processes to

secure the privacy, availability and integrity of customers' and end-users' data. We deliver trusted customer experiences and enable them to grow their business with a holistic and adaptive approach to data privacy. We comply with all the regulatory requirements and protect the personal and sensitive data of our customers and end-users with security controls to deliver trusted experiences.

GENDER AND DIVERSITY

Employee diversity has been at the center of all human resources policies at Ramco. The Company motivates and empowers its diverse and talented workforce to make the employees feel proud of their Company. We are strong believers of the notion that valued employees create more value for the organization. Thus, every employee at Ramco is vested with equal employment opportunities and a healthy diversity is maintained across the organization.

Moreover, there is a sufficient balance in pay parity across all the levels of the organization and the pay structures are well aligned to the best industry practices.

EMPLOYEE ENGAGEMENT

Engaged employees care about their work and about the performance of the Company and feel that their efforts make a difference. We have various strategies in place to encourage employee engagement at workplace so that employees feel a whole new level of enthusiasm and dedication towards their work.

We also believe that every employee has something to contribute to the Company and thus we make employees a part of our team discussions while making strategies and making important decisions for the Company. In this way, we ensure maximum employee engagement of our employees so that they feel valued and work with complete grit and determination.

TRAINING AND DEVELOPMENT

The Company has mandatory hours of training that the employees must complete during a particular year. The training programs and seminars are in line with the business growth and the company's objectives. Training programs and seminars are conducted by industry experts and people with the right acumen and knowledge.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has instituted various Employee Stock Option Scheme (ESOS) for the benefit of employees for their unwavering commitment to the Company's Growth. The objective of ESOS is to encourage employees to continue contributing to the success and growth of the organization, create a sense of ownership within the organization, reward employees with ownership in proportion to their contribution etc. It covers the Non-Independent Directors, eligible employees of the Company/ its subsidiaries.

Please refer the Annexure to the Board's Report on pages from 39 to 45 for more details on the ESOS.

GIVING BACK TO THE SOCIETY

As a conscientious corporate citizen, Ramco's recognizes the Corporate Social Responsibility (CSR) to address some of the challenging issues relating to education, health, development of the society and always endeavors to contribute to the welfare and development of the society, in which it operates. Besides, the Company also emphasizes equally towards environment conservation to maintain the ecological balance. During the year, the Company spent Rs. 2 Mln. towards 'Conservation of the Tropical Dry Evergreen Forest of South India' (TDEF). TDEF consists of 1,200 species in the ecosystem, comprising 400 woody or bulbous species and 800 allied species.

The Board in compliance with the provisions of Section 135(1) of the Companies Act, 2013, (the Act) and Rules made thereunder has formulated the CSR Committee and CSR Policy. Further, the CSR policy has been placed on the website of the Company and can be accessed through the following link:

<https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Corporate%20Social%20Responsibility%20Policy/Corporate-Social-Responsibility-Policy.pdf>

Please refer the Annexure to the Board's Report on pages from 53 to 55 for more details on the CSR.

GOVERNANCE

Responsible governance, integrity and ethical conduct are embedded into our business practices. They help us in meeting our responsibility towards our stakeholders. We always strive to achieve optimum performance at all levels by adhering to good Corporate Governance practices. Company's Corporate Governance goals are principally driven by the objective of creating and maintaining a trust centered relationship in order to enrich stakeholder's value.

Please refer the Corporate Governance Report on pages from 59 to 75 for more details on the Governance aspects.



BOARD COMPOSITION

The composition of the Board is in accordance with the applicable provisions of the Act, and SEBI Regulations. The Board comprises of professionals from different backgrounds who bring with them diverse knowledge and experiences that plays a key role in assuming responsibilities within the Company.

These include transparency and accountability through Corporate Governance policies and at the same time implementing feedback and suggestions on the Board improvement plan.

Please refer the Corporate Governance Report on pages from 59 to 60 for more details on the Board composition.

CODE OF CONDUCT

Ethical Business Conduct is a vital priority for the Company. The Company's Code of Conduct is applicable to all the Board Members and the Senior Management Personnel/employees of Ramco. All our Board Members and Senior Management Personnels are made aware of the Code of Conduct (CoC) of the Company and abide by it at all times and provide declaration on an annual basis.

Furthermore, we also follow the Code for Insider Trading for prevention of Insider Trading and Code for Fair Disclosure for protecting the interest of Members at large and preventing misuse of any Unpublished Price Sensitive Information and the same has also been amended from time to time in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

Please refer the Corporate Governance Report on pages from 73 and 75 for more details on the Code of Conduct.

INVESTOR COMPLAINTS

The Company has in place a dedicated team of compliance that looks after the investor complaints received during the year. As of March 31, 2022 no complaints were pending with the Company.

BOARD COMMITTEES

As on March 31, 2022, there are seven Board Committees in place. Ramco's Board Committees facilitates effective resolution of all the important issues. During the year, the Board had constituted the Risk Management Committee. All the said Committees are headed by Independent/ Non-Executive Directors respectively. The constitution of these Committees is in line with the applicable laws. In case of Board Committees, the representation of the independent Board Members is adequate and is also in line with applicable laws.

Please refer the Corporate Governance Report on pages from 63 to 68 for more details on the Committees of the Board.

ANTI-BRIBERY & ANTI-CORRUPTION

Bribery and corruption can pose a major risk to our business and brand and can hamper our goodwill and business growth. In accordance with our policies, Ramco is committed to fighting corruption in all its forms- both direct and indirect. The Company has in place all the adequate checks and balances to ensure that there is no corruption across our business activities and operations.



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fifth Report of the Board of Directors ("Board") on the business and operations of the Company ("Ramco Systems" or "Ramco" or "RSL" or "Company"), together with the audited standalone and consolidated financial statements for the year ended March 31, 2022.

SUMMARY OF PERFORMANCE

In the financial year (FY) 2021-22, your Company saw a decline in the growth momentum, with a consolidated turnover of Rs.5,311.02 Mln., as against previous year's turnover of Rs. 6,263.06 Mln. The consolidated Profit/(Loss) after tax for the FY 2021-22 was Rs.(733.59) Mln. as against Rs.557.77 Mln. for the previous year. Consequently, the consolidated earnings per

share reduced to Rs.(23.87) for the year, as against Rs.18.20 for the previous year.

The standalone turnover stood at Rs.2,795.92 Mln. in the FY 2021-22, as against previous year's turnover of Rs.3,450.05 Mln. The standalone Profit/(Loss) after tax for the FY 2021-22 was at Rs.(499.71) Mln. as against Rs.442.25 Mln. for the previous year. Consequently, the standalone earnings per share reduced to Rs.(16.26) for the year, as against Rs.14.43 for the previous year.

The revenue contribution by all the Business Units witnessed a drop compared to the previous year, caused mainly due to lower order booking.

Despite all the above, the operations have been managed to ensure that the Company continued to remain debt free at the end of the FY 2021-22.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Rs. Mln.					
	For the year ended March 31					
	Standalone			Consolidated		
	2022	2021	Inc./ (dec.)	2022	2021	Inc./ (dec.)
Revenue from Operations	2,795.92	3,450.05	(18.96%)	5,311.02	6,263.06	(15.20%)
Total Income	2,900.08	3,543.58	(18.16%)	5,403.77	6,408.71	(15.68%)
Finance Cost	46.81	75.91	(38.33%)	54.19	88.25	(38.59%)
Depreciation & Amortization	698.63	629.52	10.98%	753.18	691.46	8.93%
Total Expense	3,483.70	2,731.21	27.55%	6,137.88	5,329.84	15.16%
Profit before Interest, Tax & Depreciation (EBITDA)	161.82	1,517.80	(89.34%)	73.26	1,858.58	(96.06%)
Profit before Tax	(583.62)	812.37	(171.84%)	(733.07)	1,079.22	(167.93%)
Provision for Tax	(83.91)	370.12	(122.67%)	(3.77)	512.24	(100.74%)
Profit after Tax Attributable to Owners of the Parent	(499.71)	442.25	(212.99%)	(733.59)	557.77	(231.52%)

BUSINESS HIGHLIGHTS

In the 25th year of its journey, Ramco Systems Limited has been expanding and going strong. With the expertise built over two and half decades, the Company has now set up a stellar foundation centered around innovation and growth-driven culture. Over these years of innovation, the Company has consistently made its mark in the digital transformation journey of global organizations, enabling a swift digital transformation of organizations into a vital, pandemic-proof organizational model. With enhanced artificial intelligence (AI) features such as conversational AI and machine learning (ML), Ramco's enterprise applications are improving the future of digital

transformation and offering organizations innovative ways to address business challenges.

At Ramco, we envision to build an institution that creates high value for customers. Since the inception, innovation has been an integral part of Ramco's DNA and with the trust of our prestigious clientele and our cutting-edge products, we are now ready to plunge onto the immense possibilities that lie ahead of us and unlock more.

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

Board's Report (Contd.)

DIVIDEND AND APPROPRIATIONS

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "SEBI LODR") the Board approved and adopted the Dividend Distribution Policy and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Dividend%20Distribution%20Policy/DIVIDEND-DISTRIBUTION-POLICY.pdf>

Taking into account the present liquidity position and in order to conserve the funds for future growth opportunities, your Directors have decided not to recommend any dividend for the FY 2021-22. Hence no appropriations have been made to general reserves.

CAPITAL STRUCTURE

During the year, the issued and paid up capital of the Company has increased upon exercise of stock options by various option grantees and allotment of shares pursuant to the same. The issued and subscribed capital of the Company stood at Rs.311.63 Mln. and paid up capital stood at Rs.308.49 Mln. as on March 31, 2022 as against Rs.310.63 Mln. and Rs. 307.49 Mln. respectively as at the end of the previous year. The Securities Premium has also increased to Rs.6,675.74 Mln. from Rs.6,633.66 Mln. and other than this, the Company has not made any fresh issue of shares or convertible securities during the year.

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

Particulars	No. of equity shares (face value of Rs.10 per share)
Paid up Opening as at April 01, 2021	30,714,082
May 25, 2021	1,345
July 09, 2021	7,758
September 02, 2021	9,510
October 08, 2021	12,348
December 21, 2021	8,362
March 10, 2022	60,516
Paid up Closing as at March 31, 2022	30,813,921

DEPOSITORY SYSTEM

Your Company's shares are in compulsorily tradable securities in electronic form. As on March 31, 2022, 99.62% of the Company's total paid up shares are in dematerialized form. To avoid fraud/delicacy of shares, the Members holding shares in physical mode are advised to avail of the facility of dematerialization from the depositories.

CREDIT RATING

During the year, there has been no change in the rating provided by ICRA Limited. However, vide its credit rating letter dated March 17, 2022, ICRA has reaffirmed the following ratings for Bank Facilities. The Outlook on the long-term rating is revised from A (Stable) to A (Negative). The details of said revision in the rating is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/investor-relations/Intimation-of-CreditRating-17-03-2022.pdf>.

Facilities	Amount Rs. Mln.		Existing Rating	Revised Rating
	Existing	Revised		
Long term Fund based/CC (Reaffirmed)	350	350	A (Stable)	A (Negative)
Short term fund based facilities (Reaffirmed)	1,375	1,375	A2+	A2+
Short term non-fund based facilities (Reaffirmed)	305	305	A2+	A2+
Unallocated (Reaffirmed)	115	115	A (Stable) / A2+	A (Negative) / A2+
Total	2,145	2,145		

Board's Report (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY REPORT

Your Company is one of the Top 1000 listed entities as per Market Capitalization data issued by Stock Exchanges as on March 31, 2022. In accordance with Regulation 34 of SEBI LODR, the Business Responsibility Report ("BRR"), has been prepared and is set out in this Annual Report.

INFORMATION ON SUBSIDIARIES AND ASSOCIATE

Your Company has sixteen (16) subsidiaries and one (1) associate entity as on March 31, 2022. In accordance with Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of our subsidiaries and associate and their contribution to the overall performance of the Company are available in FORM AOC-1 (is enclosed as Annexure I to the Board's Report) and Statutory group information (under note no. 30 to the consolidated financial statements). In accordance with Regulation 46(2)(s) of SEBI LODR, separate audited/ reviewed financial statements of the above subsidiary companies are placed on the website of the Company.

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

During the FY 2021-22:

- a. The Company had incorporated a wholly owned subsidiary in Japan – Ramco Software Japan Kabushiki Kaisha (Ramco Software Japan Limited – In English) on April 01, 2021. However, as per the local Regulations in Japan, the share capital of JPY 9.50 Min. (Rs. 6.42 Mln.) was remitted on March 25, 2021 in advance, before incorporation.
- b. A Step down subsidiary in the USA - Ramco Systems Defense and Security Incorporated was incorporated on November 01, 2021 as a wholly owned subsidiary of the Company's subsidiary Ramco Systems Corporation USA. The share capital of USD 100,000 was infused by Ramco Systems Corporation USA on February 07, 2022.

Subsequent to the close of FY 2021-22, the Company has incorporated a wholly owned subsidiary in Saudi Arabia – Ramco Middle East for Information Technology on April 01, 2022. The share capital is yet to be infused.

As on March 31, 2022, the Company has 5 overseas branch offices – in UK, Germany, UAE, Australia and Spain.

Material Subsidiaries

Based on the financials of FY 2020-21, Ramco Systems Corporation, USA was identified as material subsidiary for the FY 2021-22 in accordance with Regulation 16(1) of SEBI LODR.

Based on the financials of FY 2021-22, Ramco Systems Corporation, USA, Ramco Systems FZ-LLC, Dubai and Ramco Systems Australia Pty Ltd., were identified as material subsidiary for the FY 2022-23 in accordance with Regulation 16(1) of SEBI LODR.

Since the income and net worth of Ramco Systems Corporation, USA, is more than 20% of the Consolidated income and net worth respectively, it warrants the appointment of an Independent Director of the Company in that subsidiary in accordance with Regulation 24 of SEBI LODR. Since the Company had already appointed Mr. M M Venkatachalam, Independent Director of the Company as a Director of that subsidiary on May 22, 2019, he continues to be a Director of that subsidiary, thus fulfilling the requirements.

In accordance with Regulation 46(2) of SEBI LODR, the policy for determining material subsidiaries formulated by the Board is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Material%20Subsidiary%20Policy/ramco-material-subsubsidiary-policy.pdf>

Consolidated Financial Statements

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

In accordance with Section 136(1) of the Act, separate audited / reviewed accounts in respect of the subsidiary companies are also made available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/annual-reports>.

The Company shall provide a copy of the same to any Member of the Company who asks for it.

BOARD OF DIRECTORS

As on March 31, 2022, your Board comprises of eight (8) Directors, out of which, four (4) are Independent Directors including an Independent Woman Director, three (3) Non-Executive & Non-Independent Directors and an Executive

Board's Report (Contd.)

Director. Mr. P R Venketrama Raja, (DIN:00331406), Chairman of the Board is a Non-Executive & Non-Independent Director and Promoter and Mr. P V Abinav Ramasubramaniam Raja (DIN:07273249), Manager designated as Whole Time Director, belongs to Promoter Group.

During the year, no appointment / re-appointment (except the retirement by rotation and re-appointment of Mr. Sankar Krishnan, Non-Executive & Non-Independent Director) / resignation of Directors took place.

The Company had formulated a Code of Conduct for the Directors and Senior Management Personnel and the same has been complied with. During the year, the Board at its Meeting held on May 25, 2021 had reviewed and amended the said Code and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Code%20of%20Conduct%20and%20Business%20Ethics/code-of-conduct-business-ethics.pdf>.

The Members at the 20th AGM held on August 04, 2017, approved the appointment of Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director of the Company for a period 5 years commencing from June 04, 2017 to June 03, 2022. The currency of his tenure is till June 03, 2022. Subsequent to the close of FY 2021-22, on the recommendation of Nomination and Remuneration Committee (NRC), the Board at its Meeting held on May 19, 2022 had reviewed and re-appointed Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel, in the position of Manager with the Designation as Whole Time Director for a period 2 years commencing from June 04, 2022 to June 03, 2024 subject to the approval of Members at the ensuing 25th Annual General Meeting ("AGM"). Terms and Conditions of appointment, profile and other required details to be disclosed as per the Act and SEBI LODR are provided in the explanatory statement to the notice of AGM.

Retirement by Rotation and Re-Appointment

In accordance with Section 152 of the Act and Articles of Association of the Company, Mr. P R Venketrama Raja, (DIN:00331406) retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM of the Company.

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

Independent Directors

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

The Company has received necessary declaration as laid down in Section 149(7) of the Act from all the Independent Directors confirming that they meet the criteria of independence as provided in Section 149(6) of the Act and SEBI LODR. Independent Directors have also complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

In accordance with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has received declarations from Independent Directors confirming that they have registered with the Independent Directors Data Bank through Indian Institute of Corporate Affairs. Amongst them, Mr. M M Venkatachalam, Mr. R S Agarwal and Justice Mr. P P S Janarthana Raja (Retd.) have been exempted from passing the online proficiency self-assessment test conducted by IICA. Mrs. Soundara Kumar has passed the proficiency self-assessment test.

The Company had issued letter of appointment in accordance with Regulation 46 of the SEBI LODR and the terms and conditions of appointment of Independent Directors are available at the Company's website at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/independent-directors-terms-of-appointment.pdf>.

Information on familiarization program to Independent Directors are provided in the Corporate Governance Report Section of this Annual Report.

Details of Remuneration to Directors

Details as required under the Act, in respect of remuneration paid to Directors, are given in Corporate Governance Section of this Annual Report and in the extract of Annual Return uploaded in the website under the following link: <https://www.ramco.com/investor-relations/investor-information/annual-return/>.

Number of Meetings of the Board

Your Board met six times during the FY 2021-22 on May 21, 2021, May 25, 2021, July 28, 2021, September 25, 2021, October 27, 2021 and February 12, 2022 and further details on this aspect are given in the Corporate Governance Section of this Annual Report. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days or such other period as stipulated under the Act and SEBI LODR.

Board's Report (Contd.)

Board Committees

The Board had following Committees during the FY 2021-22:

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

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

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

Meetings of Board and Committees held during the year are in compliance with the Act & SEBI LODR read with circulars and notifications issued by Ministry of Corporate Affairs and SEBI in this regard.

Diversity

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

Board Evaluation

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

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

In accordance with Regulation 25(4) of the SEBI LODR, Independent Directors have evaluated the performance of

Chairman, Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and other required matters.

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

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

The Board's observations on the evaluations for the year under review carried on May 19, 2022 were similar to their observations of the previous years. No specific actions have been warranted based on current year observations. The Company would continue to familiarize its Directors on the industry, information security, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

Policy on Directors' Appointment and Policy on Remuneration

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

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

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

Remuneration Policy

In accordance with Section 178 of the Act, the NRC of your Board has formulated the Nomination and Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel and other employees of your Company. The Nomination and Remuneration Policy ensures that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long-term goals of the Company.

Board's Report (Contd.)

The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Independent Directors of the Company. It recommends to the Board the compensation payable to Directors. Director's compensation are within the limits prescribed under the Act, and approved by the Members of the Company where required.

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

The Whole Time Director was paid remuneration by way of salary, benefits and allowances till May 2021 and from June 2021, fixed monthly remuneration in the form of commission. This is in addition to entitlement of sitting fee for attending the Meetings. Non-Executive Directors are paid remuneration by way of sitting fees based on their participation in the Meetings. Remuneration paid to Directors is within the scale approved by the Board and Members subject to overall ceilings stipulated under Section 197 of the Act. Sitting fees are being paid to Directors for attending the Board Meeting, Audit Committee and Independent Directors Meetings.

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

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

The said Policy and composition of the NRC are in compliance with the Act and SEBI LODR. During the year, the responsibilities of Compensation Committee as defined in SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, have been assigned to NRC. During the year, there has been no change in the Nomination and Remuneration policy and the said policy is available at the Company's website at the following

weblink: <https://f.hubspotusercontent20.net/hubfs/494075/PDF%20Download%20URL/Material%20Subsidiary%20Policy/ramco-material-subsiary-policy.pdf>. The composition of the NRC has been aligned in line with the SEBI LODR Third amendment Regulations 2021 effective January 01, 2022.

KEY MANAGERIAL PERSONNEL

KMPs of your Company as on March 31, 2022 are as follows:

Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director

Mr. R Ravi Kula Chandran, Chief Financial Officer

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

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

Mr. Virender Aggarwal, Chief Executive Officer, employed in the subsidiary of the Company - Ramco Systems Pte. Ltd., Singapore, ceased to be in the employment with effect from November 12, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that the financial statements for the year ended March 31, 2022 have been prepared in conformity with Indian Accounting Standards (Ind AS) and requirements of the Act, and that of guidelines issued by SEBI, to the extent applicable to the Company along with proper explanation relating to material departures;
- b. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year ended on that date;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on a going concern basis;
- e. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

Board's Report (Contd.)

- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company places high emphasis on business ethics and ensures best practices throughout the business and in its disclosures. Your Directors always strive to follow good Corporate Governance practices in the Company to enhance long term shareholder value. Corporate Governance Report for the FY 2021-22 is set out in this Annual Report.

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

A Compliance Report on applicable compliances of SEBI Circular, Notifications and Regulations etc., issued by Secretarial Auditors will be filled before the due date with stock exchanges in the prescribed format.

EQUAL OPPORTUNITY

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

The Company has a Policy on Prevention and Redressal of Sexual Harassment ("POSH") in place in accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the FY 2021-22, consequent to the exit of presiding officer and other Committee Members in the Delhi & Mumbai region, Committee composition was revised and Ms. Priya TS was appointed as the presiding officer with effect from December 18, 2021 and the required changes were made in POSH policy of the Company.

During the FY 2021-22, there was no complaint received and no complaint pending for disposal as on March 31, 2022. In accordance with Rule 8(5) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

During the year 99,839 options were exercised in 6 tranches by eligible employees/option grantees of the Company and its subsidiaries under ESOS 2008, ESOS 2009 Plan A, ESOS 2009 Plan B, ESOS 2013 and ESOS 2014 schemes of the Company. No employee was granted options/shares during the year, equal to or exceeding 1% of the issued capital.

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

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

During the FY 2021-22, there has been no change in the Schemes of the Company. It is confirmed that the Schemes of the Company are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The relevant disclosures in terms of the Act and in accordance with the said Regulations are enclosed as Annexure II to the Board's Report. The Company does not have any Scheme for issue of sweat equity to the employees or Directors of the Company. During the year, no ESOPs were granted to Non-Executive & Non-Independent Directors.

A certificate from Secretarial Auditors, with respect to implementation of the above Employee Stock Option Schemes in accordance with SEBI Regulations and the resolution passed by the Members of the Company, will be available electronically for inspection by the Members during the ensuing AGM and a copy of the same shall be available for inspection at the Corporate Office of the Company during normal business hours on any working day. The disclosure required to be made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available in the Company's website at the following weblink: <https://www.ramco.com/periodic-compliances>

Board's Report (Contd.)

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

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

Audit Committee of the Board periodically reviews the internal audit plans and observations/recommendations of Internal and Statutory Auditors. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

RISK MANAGEMENT

In accordance with Regulation 21(5) of SEBI LODR read with SEBI notification dated May 05, 2021, the Company being one of the top 1000 Companies by way of market capitalization, Board has constituted the Risk Management Committee. A detailed note on the attendance, composition of the Committee along with other details are provided in the Corporate Governance Report Section of this Annual Report.

In accordance with Section 134(3)(n) of the Act and Regulation 17(9) of SEBI LODR, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof. The said policy amended during the year is available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/PDF%20Download%20URL/Risk%20Management%20Policy/Risk-Management-Policy.pdf>. Details on the Company's risk management framework/strategy also further discussed in the Company's MDNA. In the opinion of the Board, there is no element of risk which may threaten the existence of the Company/its operations.

RELATED PARTY TRANSACTIONS (RPT)

The Company has formulated a policy on materiality of RPT and also on dealing with RPT. During the year, In accordance with SEBI LODR Sixth Amendment Regulations, 2021 and circulars & notifications issued by the SEBI in this regard, upon the recommendation of the Audit Committee, the Board had approved the amendment to the said policy. The said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Related%20Party%20Transaction%20Policy/ramco-related-party-transaction-policy.pdf>.

Prior approval / omnibus approval have been obtained from Audit Committee for all RPTs and these transactions are periodically placed before the Audit Committee for its review/approval. All RPTs that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant transactions with related parties during the year that may have potential conflict with the interests of the Company at large or that requires approval of the Members. In accordance with Ind AS 24, the details of the transactions with the related parties are set out in the notes to financial statements.

AUDITORS

Statutory Auditor

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

No change is proposed in the Auditors for the Company. The existing Auditors M S Jagannathan & N Krishnaswami, Chartered Accountants, are eligible to be re-appointed for a second term of 5 years. Subject to the approval of the Members of the Company at the ensuing 25th AGM, the Board on the recommendation of Audit Committee has recommended the re-appointment of M S Jagannathan & N Krishnaswami, Chartered Accountants (FRN:001208S) as the Statutory Auditors (for a second term of five consecutive years commencing from FY 2022-23 to 2026-2027) of the Company pursuant to Section 139 of the Act. The proposal relating to their appointment has been included in the notice convening the 25th AGM of the Company. They shall hold office from the conclusion of 25th AGM to the conclusion of 30th AGM.

In accordance with Sections 139 and 141 of the Act and relevant Rules prescribed there under, the Company has received certificate from the Statutory Auditors to the effect that they are eligible to be re-appointed as Auditors. The Auditors

Board's Report (Contd.)

have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

On the recommendation of Audit Committee, the Board at its Meeting held on May 19, 2022 approved the above proposal for re-appointment and approved a Statutory Audit fee of Rs.2,000,000/- (exclusive of applicable taxes and out of pocket expenses) for the FY 2022-23. Details of fees paid to Statutory Auditor is disclosed in Corporate Governance Report set out in this report.

Internal Auditor

Your Board on the recommendation of Audit Committee at its Meeting held on May 25, 2021 had re-appointed M/s. SRSV & Associates, Chartered Accountants, (FRN:015041S), Chennai as the Internal Auditors of the Company and approved the internal audit fees to conduct Internal Audit for the FY 2021-22. The Internal Auditors reports directly to the Audit Committee and make presentations at the Audit Committee Meeting(s) on the Internal Audit Report.

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

Your Board on the recommendation of Audit Committee at its Meeting held on May 19, 2022 has re-appointed M/s. SRSV & Associates, Chartered Accountants (FRN:015041S), Chennai as the Internal Auditors of the Company for the FY 2022-23.

Secretarial Auditor

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

The Company had received required declarations/consents from the Secretarial Auditors confirming that they have been Peer Reviewed and are eligible to continue as Secretarial Auditors.

Your Board at its Meeting held on May 19, 2022 had re-appointed M/s. S.Krishnamurthy & Co., Company Secretaries, to conduct the Secretarial Audit of the Company for the FY 2022-23.

Cost Auditor

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

Opinion/Reports

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

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

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

The Reports issued by them for the FY 2021-22, do not contain any qualification, reservation or adverse remark or disclaimer.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In Compliance with Section 135 of the Act, the Board of Directors have constituted a CSR Committee and adopted a CSR Policy, in accordance with Schedule VII of the Act. Your Company was required to spend Rs.14.43 Mln. towards CSR activities during the FY 2021-22. Upon recommendation of CSR Committee, Board had approved to contribute the CSR spend for the FY 2021-22 to "Auroville Foundation" for its Botanical Gardens Unit for "Conservation of the Tropical Dry Evergreen Forest of South India" (TDEF) – an ongoing project. During the year, the part payment of Rs.2 Mln. was transferred to Auroville Foundation and the unspent amount of Rs.12.43 Mln. belonging to the FY 2021-22 has been transferred to a Ramco Systems Limited - Unspent CSR Account FY 2021-22 on April 28, 2022. The intent is to make the contribution, depending upon the project progress, submission of progress reports by the agency and review thereof by the Company.

Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure V to the Board's Report.

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

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

Vision: The Company's vision is to contribute to the social and economic development of the communities in which it

Board's Report (Contd.)

operates, resulting in building a better and sustainable way of life for the society at large.

Objectives: The objective of the CSR Policy is to:

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

Implementation Process:

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

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

In addition to the above, CSR Policy also includes Applicability, Objectives, Areas of Initiatives, Budget, CSR Reporting etc., and the said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Corporate%20Social%20Responsibility%20Policy/Corporate-Social-Responsibility-Policy.pdf>

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Act and Regulation 22 of the SEBI LODR, the Company has established a Vigil Mechanism and has a Whistle Blower Policy and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Whistle%20Blower%20Policy/ramco-whistle-blower-policy.pdf>.

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

POLICY ON PRESERVATION OF DOCUMENTS AND ARCHIVAL OF DOCUMENTS

In accordance with Regulation 9 read with Regulation 30(8) of SEBI LODR, your Board has framed a Policy on Preservation of documents and Archival of documents. This is intended to provide guidelines for the retention of records

and preservation of relevant documents for a duration after which the documents shall be archived. This said policy is available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/PDF%20Download%20URL/Policy%20on%20Preservation%20of%20Documents%20and%20Archival%20of%20Documents/Policy-on-Preservation-of-Documents-and-Archival-of-Documents.pdf>

SUSTAINABILITY INITIATIVES

Your Company is in the space of providing technological solutions. Your Company's contribution towards sustainability is continuous in nature as is reflected throughout/forms an integral part of our business. The Company aims to reduce its carbon footprint by using energy conservation equipment's/ other control measures. Further details on this aspect are given in the Conservation of Energy and Technology Absorption Annexure VIII in the page no.57.

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

OTHER DISCLOSURES

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

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

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

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

Loans, Guarantees or Investments: Disclosures on the same in accordance with Section 186(4) of the Act and SEBI LODR are provided under Note Nos. 8, 9.1, 26 and 29 forming part of separate (standalone) financial statements;

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

Annual Return:

In accordance with Section 92(3) of the Act, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 for the

Board's Report (Contd.)

year ended March 31, 2022 is available in the Company's website at the following link: <https://www.ramco.com/investor-relations/investor-information/annual-return/> and the Annual Return in Form MGT-7 for the said year will be filed with Ministry of Corporate Affairs after completion of AGM. MGT-7 for the year ended March 31, 2021 had been filed with Ministry of Corporate Affairs and the same is available in the Company's website at the following link: <https://www.ramco.com/hubfs/investor-relations/Annual-Return-2020-21.pdf>.

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

Material Changes and Commitments: No material changes and commitments affecting the financial position of the Company occurred between April 1, 2022 and the date of signing this report. Further deliberations on COVID-19 are provided under MDNA and Note Nos. 34 & 31 of separate (standalone) & consolidated financial statements respectively;

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

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

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

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

GREEN INITIATIVES

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

Keeping next step towards a Greener Planet for future generations and in furtherance of digitization Commitment to Go-Green initiative of the Government, the Company has digitalized internal communications with virtual Meetings through tele/audio/video conferencing and also using digital mechanism to conduct Board/Committee Meeting(s) as per the provisions of law, thereby it brings down the Meeting-related travel, usage of paper etc., to a limited purpose.

AWARDS AND RECOGNITIONS

Your Company continued its excellence in its chosen area of business to set a tone at the top.

APPRECIATIONS

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

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

P R VENKETRAMA RAJA
Chairman

Place : Chennai
Date : May 19, 2022

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES / ASSOCIATES

FORM AOC-1 – In accordance with Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries and associate Company:

Part A - Subsidiaries:

Name of the subsidiary	Year	Report- ing cur- rency	Share Capital	Reserves and sur- plus	Total Assets	Total Liabilities (ex- cluding Share Capital and Reserves and surplus)	Invest- ments	Turn- over	Profit/ (Loss) Before Tax	Provi- sion for Tax	Profit After Tax	Other Compre- hensive Income	Total Compre- hensive Income	Pro- posed dividend	% of share- holding	Exchange Rate		
																Rs. Min.	used (Rs. per unit of foreign currency)	
Ramco Systems Corporation, USA	2021-22	USD	105.74	1,370.95	2,090.26	613.57	7.88	1,180.95	218.47	58.21	160.26	44.14	204.40	-	-	-	75.32	73.84
	2020-21		105.74	1,166.54	1,869.85	597.57	0.43	1,375.08	472.92	111.45	361.47	(30.05)	331.42	-	-	98%	73.06	73.75
Ramco Systems Ltd., Switzerland	2021-22	CHF	29.33	203.82	254.36	21.21	-	42.82	12.66	2.15	10.51	9.50	20.01	-	-	100%	80.77	79.71
	2020-21		29.33	183.81	230.70	17.56	-	53.42	12.32	0.11	12.21	(2.53)	9.68	-	-	100%	76.78	79.25
Ramco Systems Sdn. Bhd., Malaysia	2021-22	MYR	18.22	(268.03)	306.85	556.66	-	230.78	(53.41)	0.01	(53.42)	(4.99)	(58.41)	-	-	100%	18.30	18.01
	2020-21		18.22	(209.62)	430.01	621.41	-	399.41	1.57	-	1.57	(0.99)	0.58	-	-	100%	17.95	18.08
Ramco Systems Pte. Ltd., Singapore	2021-22	SGD	1,511.74	(1,949.61)	1,136.18	1,574.05	-	414.80	(279.69)	(0.14)	(279.55)	(9.68)	(289.23)	-	-	100%	55.32	54.47
	2020-21		1,511.74	(1,660.39)	1,310.97	1,459.62	-	605.60	(175.92)	28.90	(204.82)	(0.12)	(204.94)	-	-	100%	53.92	53.61
RSL Enterprise Solutions (Pty) Ltd., South Africa	2021-22	ZAR	52.00	(37.56)	33.85	19.41	-	136.44	21.08	-	21.08	0.88	21.96	-	-	100%	5.08	4.84
	2020-21		99.02	(59.52)	53.01	13.51	-	108.46	2.92	-	2.92	5.53	8.45	-	-	100%	4.79	4.42
Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	2021-22	CAD	0.43	60.40	97.56	36.73	-	59.65	20.42	5.53	14.89	2.05	16.94	-	-	98%	59.78	58.52
	2020-21		0.43	43.46	69.76	25.87	-	38.08	20.44	5.63	14.81	3.09	17.90	-	-	98%	57.53	55.12
Ramco Systems FZ-LLC, Dubai	2021-22	AED	0.62	616.17	872.87	256.08	-	469.25	12.79	-	12.79	18.96	31.75	-	-	100%	20.10	19.71
	2020-21		0.62	584.42	908.71	323.67	-	470.71	34.64	-	34.64	(15.80)	18.84	-	-	100%	19.50	19.69
R S L Software Co. Ltd., Sudan	2021-22	SDG	2.08	(0.85)	1.85	0.62	-	-	0.16	0.02	0.14	(0.17)	(0.03)	-	-	100%	0.17	0.20
	2020-21		2.08	(0.81)	1.89	0.62	-	10.64	19.41	1.50	17.91	(7.15)	10.76	-	-	100%	0.19	1.32
Ramco Systems Australia Pty Ltd., Australia	2021-22	AUD	795.24	(1,384.31)	465.10	1,054.17	-	577.59	(71.29)	1.91	(73.20)	(11.33)	(84.53)	-	-	100%	55.85	54.14
	2020-21		795.24	(1,299.78)	486.51	991.05	-	519.81	(42.24)	1.71	(43.95)	(76.49)	(120.44)	-	-	100%	55.09	52.10
Ramco System Inc., Philippines	2021-22	PHP	17.44	173.24	587.22	396.54	-	320.81	34.77	12.45	22.32	(7.95)	14.37	-	-	100%	1.46	1.49
	2020-21		17.44	158.87	774.25	597.94	-	580.57	(34.16)	(5.81)	(28.35)	5.55	(22.80)	-	-	100%	1.52	1.51
Ramco Systems (Shanghai) Co. Ltd., China	2021-22	CNY	10.41	(24.85)	72.35	86.79	-	36.75	(20.55)	-	(20.55)	(0.28)	(20.83)	-	-	100%	11.81	11.45
	2020-21		10.41	(4.02)	81.52	75.13	-	46.39	(11.62)	(1.37)	(10.25)	0.04	(10.21)	-	-	100%	11.08	10.78
Ramco System Vietnam Company Limited, Vietnam	2021-22	VND	23.91	(25.45)	5.25	6.79	-	2.25	(3.32)	-	(3.32)	-	(3.32)	-	-	100%	0.0033	0.0033
	2020-21		16.44	(22.14)	3.62	9.32	-	2.35	(8.95)	-	(8.95)	(0.02)	(8.97)	-	-	100%	0.0032	0.0032
PT Ramco Systems Indonesia, Indonesia	2021-22	IDR	55.40	(94.20)	18.71	57.51	-	9.50	(29.33)	-	(29.33)	(3.47)	(32.80)	-	-	100%	0.0053	0.0052
	2020-21		16.28	(61.39)	24.68	69.79	-	13.99	(24.80)	-	(24.80)	(1.52)	(26.32)	-	-	100%	0.0050	0.0051

Part A - Subsidiaries:

Name of the subsidiary	Year	Report- ing cur- rency	Share Capital	Reserves and sur- plus	Total Assets	Total Liabilities (ex- cluding Share Capital and Reserves and surplus)	Turn- over	Profit/ (Loss) Before Tax	Provi- sion for Tax	Profit After Tax	Other Compre- hensive Income	Total Compre- hensive Income	Pro- posed dividend	% of share- holding	Exchange Rate	
															used (Rs. per unit of foreign currency)	P&L
Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)	2021-22		-	(0.74)	-	0.74	-	(0.23)	-	(0.23)	(0.02)	(0.25)	-		9.3662	9.2377
	2020-21	MOP	-	(0.50)	-	0.50	-	(0.02)	-	(0.02)	0.01	(0.01)	-	100%	9.1285	9.2584
Ramco Software Japan Limited, Japan	2021-22		6.42	(8.47)	3.84	5.89	-	(8.41)	-	(8.41)	(0.06)	(8.47)	-		0.6120	0.6547
	2020-21	JPY	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100%	NA	NA
Ramco Systems Defense and Security Incorporated, USA (100% subsidiary of Ramco Systems Corporation, USA)	2021-22		7.45	(4.62)	4.54	1.71	-	(4.61)	-	(4.61)	(0.01)	(4.62)	-		75.32	73.84
	2020-21	USD	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	98%	NA	NA

Part B - Associate Company:

Name of the Associate	Latest audited Balance Sheet Date	Shares of associate held by the Company on the year end		Description on how there is significant influence	Reason why the associate is not consolidated	As per the latest unaudited Balance Sheet as at February 28, 2021	Considered in consolidation	Not considered in consolidation
		No. of Shares	Extent of Holding %					
CityWorks (Pty.) Ltd., South Africa	February 28, 2021	600	30%	By virtue of Shareholding	Not Applicable	16.38	1.04	2.43

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

SOUNDARA KUMAR
Director

R RAVI KULA CHANDRAN
Chief Financial Officer

K SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : May 19, 2022

N E VJAYA RAGHAVAN
Company Secretary

DISCLOSURE MADE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

DETAILS OF EMPLOYEE STOCK OPTION PLANS / SCHEMES

The Company had instituted various Employee Stock Option Plans / Schemes (ESOP / ESOS) for the benefit of eligible persons, with the following objectives:

- Encourage employees to continue contributing to the success and growth of the organization;
- Attract, retain and motivate employees;
- Create a sense of ownership within the organization;
- Encourage and align the interest and performance of the employees with those of the organization;
- Reward employees with ownership in proportion to their contribution;

In line with the above, various ESOP / ESOS Schemes have been formulated by the Company, which are given below:

I. Expired Schemes

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

II. Live Schemes

- (D) Employee Stock Option Scheme, 2008 (ESOS 2008)
- (E) Employee Stock Option Scheme, 2009 - Plan A (ESOS 2009 - Plan A)
- (F) Employee Stock Option Scheme, 2009 - Plan B (ESOS 2009 - Plan B)

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

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

Details of the live schemes are given below:

A. Employee Stock Option Scheme, 2008 (ESOS 2008):

At the Extra-Ordinary General Meeting held on September 18, 2008, the Members had approved, an issue of 1,200,000 stock options convertible into equity shares of Rs.10 each. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed a detailed scheme in this regard. The options granted have a vesting period of 4 years and exercise period of 10 years from the date of the vesting of the final lot. The options other than those vested in the first lot shall vest on a Quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant.

Initially, at the Meeting of the Compensation Committee held on April 11, 2009, 1,128,875 options were granted to the eligible employees at a price of Rs.53 per share, with a vesting period of 4 years and an exercise period of 10 years from the date of vesting of the final lot. Further grants of options were made to eligible employees by the Compensation Committee as follows with a vesting period of 4 years and an exercise period of 10 years from the date of vesting of the final lot:

Date of the Meeting	No. of options granted	Price per option (Rs.)
June 25, 2012	50,000	143 per share
August 23, 2012	25,000	138 per share
November 07, 2012	50,000	125 per share
July 29, 2013	95,000	87 per share
March 07, 2014	65,000	241 per share
March 27, 2014	20,000	204 per share

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

Plan	Original Price (Rs.)	No. of options outstanding on April 23, 2014	Revised Price (Rs.)	Revised No. of options
ESOS 2008	53	291,023	51	305,306
	87	95,000	83	99,670
	125	50,000	119	52,458
	138	25,000	132	26,229
	143	50,000	136	52,458
	204	20,000	194	20,983
	241	65,000	230	68,195

Details of options vested, exercised, lapsed etc. for ESOS 2008 during the year are given in Table 1 – “Option movement during the FY 2021-22,” at the end of this Annexure.

B. Employee Stock Option Scheme, 2009 – Plan A (ESOS 2009 – Plan A) and Employee Stock Option Scheme, 2009 – Plan B (ESOS 2009 – Plan B):

ESOS 2009 – Plan A:

The Members at the Twelfth AGM held on August 05, 2009, have approved, an issue of 500,000 options convertible into equity shares of Rs.10 each with the number of options that could be granted to the Non-Executive & Non-Independent Directors of the Company not exceeding 20,000 options per year and 100,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

At the Meeting of the Compensation Committee held on October 27, 2009, 20,000 stock options were granted to Mr. A V Dharmakrishnan, Non-Executive & Non- Independent Director of the Company, at an exercise price of Rs.98 per share. Further 20,000 options were granted at the Meeting of the Compensation Committee held on December 22, 2011 at an exercise price of Rs.61 per share with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

At the Meeting of the Compensation Committee held on March 02, 2010, 382,220 stock options were granted to the eligible employees, at an exercise price of Rs. 94 per option.

During the FY 2012-13, the Compensation Committee amended the key features of the ESOS 2009 - Plan A under the powers granted by the Members resolution passed on August 05, 2009. As per this, the Compensation Committee can fix the terms and conditions regarding vesting period and vesting pattern at the time of each grant under the Scheme.

Further to this, the Compensation Committee granted further 130,000 options to eligible employees of the Company on May 17, 2012. Out of the 130,000 options, 60,000 options were granted to Mr. Virender Aggarwal, CEO of the Company, at an exercise price of Rs.115 per share, having a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot. The options other than those vested in the first lot shall vest on a quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant. 20,000 options were granted to Mr. A V Dharmakrishnan, Non-Executive & Non- Independent Director of the Company, at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting. The remaining 50,000 options were granted to an eligible employee at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting.

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

During the FY 2014-15, the Compensation Committee granted the following stock options on August 08, 2014 with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot:

Category	Price (Rs.)	Number of options
Mr. Virender Aggarwal, CEO	356	25,000
Other employees	356	105,000

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

Plan	Original price (Rs.)	No. of options outstanding on April 23, 2014	Revised price (Rs.)	Revised no. of options
ESOS 2009 – Plan A	10	25,000	10	25,000
	61	20,000	58	20,983
	94	191,431	90	200,878
	98	20,000	93	20,983
	115	60,000	110	62,949

Details of options vested, exercised, lapsed etc., for ESOS 2009 Plan - A during the year are given in Table 1 – “Option movement during the FY 2021-22,” at the end of this Annexure.

ESOS 2009 – Plan B:

The Members at the Twelfth AGM held on August 05, 2009, have approved, an issue of 750,000 options convertible into equity shares of Rs.10 each with the number of options that could be granted to the Non-Executive & Non-Independent Directors of the Company not exceeding 25,000 options per year and 150,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

At the Meeting of the Compensation Committee held on March 02, 2010, 573,330, options were granted to the eligible employees, at an exercise price of Rs.94 per share. The options granted have a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot. The options other than those vested in the first lot shall vest on a quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant.

During the FY 2012-13, the Compensation Committee amended the key features of the ESOS 2009 - Plan B under the powers granted by the Members resolution passed on August 05, 2009. As per this, the Compensation Committee can fix the terms and conditions regarding vesting period and vesting pattern at the time of each grant under the Scheme.

Further to this, the Compensation Committee granted further 85,000 options to eligible employees on May 17, 2012. Out of the 85,000 options, 25,000 options were granted to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director of the Company, at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting. The balance 60,000 options were granted to Mr. Virender Aggarwal, CEO of the Company, at an exercise price of Rs.115 per share, having a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

During the FY 2014-15, the Compensation Committee granted the following stock options on August 08, 2014 with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot:

Category	Price (Rs.)	Number of options
Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director	10	18,750
Mr. Virender Aggarwal, CEO	10	25,000
Mr. R Ravi Kula Chandran, CFO	10	6,250
	356	6,250
Other Employees	10	131,250
	356	113,750

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

Details of options vested, exercised, lapsed etc., for ESOS 2009 Plan - B during the year are given in Table 1 – “Option movement during the FY 2021-22,” at the end of this Annexure.

C. Employee Stock Option Scheme, 2013 (ESOS 2013):

The Members at the Sixteenth AGM held on July 29, 2013, have approved, an issue of 1,000,000 stock options convertible into equity shares of Rs.10 each with the number of stock options that could be granted to the Non-Executive & Non-Independent Directors of the Company not exceeding 200,000 options per year and 400,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

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

Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director: 37,500 @ Rs.155 each and 18,750 @ Rs.356 each Mr. Virender Aggarwal, CEO: 50,000 @ Rs.155 each Mr. R Ravi Kula Chandran, CFO: 12,500 @ Rs.155 each

Other Employees: 20,500 @ Rs.10 each, 513,750 @ Rs.155 each, 22,500 @ Rs.250 each, 25,000 @ Rs.340 each, 7,000 @ Rs.348 each, 98,750 @ Rs.356 each, 7,500 @ Rs.426 each, 15,000 @ Rs.431 each, 17,500 @ Rs.462 each, 46,250 @ Rs.482 each, 27,500 @ Rs.679 each and 5,250 @ Rs.696 each.

During the FY 2015-16, the NRC in its Meeting held on May 11, 2015 had granted 11,875 stock options @ Rs.10 each, 23,750 stock options @ Rs.307 each and 26,875 stock options @ Rs.613 each.

All the above mentioned options granted have a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot.

Details of options vested, exercised, lapsed etc. for ESOS 2013 during the year are given in Table 1 – “Option movement during the FY 2021-22,” at the end of this Annexure.

D. Employee Stock Option Scheme, 2014 (ESOS 2014):

The Members vide postal ballot dated September 12, 2014 have approved, an issue of 1,000,000 stock options convertible into equity shares of Rs.10 each

with the number of stock options that could be granted to the Non-Executive & Non-Independent Directors of the Company not exceeding 200,000 options per year and 400,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

During the FY 2015-16, the NRC had granted the following no. of stock options on various dates viz., August 05, 2015, November 21, 2015, February 09, 2016 and March 04, 2016 at various exercise prices viz., 26,875 stock options @ Rs.10 each, 18,000 stock options @ Rs.155 each, 12,500 stock options @ Rs.311 each, 13,750 stock options @ Rs.345 each, 10,000 stock options @ Rs.399 each, 12,500 stock options @ Rs.533 each, 6,250 stock options @ Rs.622 each, 6,875 stock options @ Rs.690 each, 5,000 stock options @ Rs.797 each and 15,750 stock options @ Rs.1,066 each.

During the FY 2016-17, the NRC had granted the following stock options on various dates viz., April 29, 2016, June 17, 2016, August 02, 2016, August 30, 2016 and November 08, 2016 at various exercise prices viz., 20,625 stock options @ Rs.10 each, 13,250 stock options @ Rs.377 each, 6,625 stock options @ Rs.753 each, 16,500 stock options @ Rs.351 each, 8,250 stock options @ Rs.701 each, 2,500 stock options @ Rs.332 each, 1,250 stock options @ Rs.663 each, 4,000 stock options @ Rs.257 each, 2,000 stock options @ Rs.513 each, 5,000 stock options @ Rs.222 each and 2,500 stock options @ Rs.443 each.

During the FY 2017-18, the NRC had granted the following stock options on various dates viz., May 29, 2017, July 21, 2017, September 11, 2017, October 13, 2017, November 02, 2017, December 15, 2017, January 16, 2018 and March 08, 2018 at various exercise prices viz., 45,000 stock options @ Rs.10 each, 12,500 stock options @ Rs.168 each, 5,000 stock options @ Rs.184 each, 10,000 stock options @ Rs.193 each, 2,500 stock options @ Rs.202 each, 7,500 stock options @ Rs.214 each, 22,500 stock options @ Rs.228 each, 17,500 stock options @ Rs.245 each, 12,500 stock options @ Rs.277 each, 6,250 stock options @ Rs.336 each, 2,500 stock options @ Rs.367 each, 5,000 stock options @ Rs.385 each, 1,250 stock options @ Rs.404 each, 3,750 stock options @ Rs.427 each, 11,250 stock options @ Rs.455 each, 8,750 stock options @ Rs.490 each and 6,250 stock options @ Rs.553 each.

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

During the FY 2019-20, the NRC had granted the following stock options on various dates viz., April 17, 2019 and October 30, 2019 at various exercise prices viz., 12,500 stock options @ Rs.10 each, 12,500 stock options @ Rs.80 each, 12,500 stock options @ Rs.120 each, 6,250 stock options @ Rs.160 each and 6,250 stock options @ Rs.240 each.

During the FY 2020-21, the NRC had granted 25,000 Stock Options @ Rs.10 each on September 18, 2020 to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director with a vesting period of 1 year and

an exercise period of 10 years from the date of vesting and 20,000 Stock Options to Other Employees on September 18, 2020 and December 18, 2020 at various exercise prices viz., 5,000 stock options @ Rs.10 each, 5,000 stock options @ Rs.181 each, 2,500 stock options @ Rs.361 each, 5,000 stock options @ Rs.290 each and 2,500 stock options @ Rs.580 each.

During the year FY 2021-22 no options were granted to employees/Option grantees.

All the above mentioned options granted have a vesting period of 3 years (except the Options granted to Non-Executive & Non-Independent Director) and an exercise period of 10 years from the date of vesting of the final lot.

Details of options vested, exercised, lapsed etc. for ESOS 2014 during the year are given in Table 1 – “Option movement during the FY 2021-22;” at the end of this Annexure.

Table 1 – Option movement during the FY 2021-22:

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013	ESOS 2014	Weighted Avg. Exercise prices (Rs.)
1.	Number of options outstanding at the beginning of the period	76,426	104,480	126,105	354,055	251,574	259.10
2.	Number of options granted during the year	-	-	-	-	-	-
3.	Number of options forfeited / lapsed during the year	1,363	5,462	9,192	29,000	36,000	352.87
4.	Number of Options vested during the year	-	-	-	-	32,984	N.A.
5.	Number of options exercised during the year	17,234	2,036	3,113	49,118	28,338	163.39
6.	Number of shares arising as a result of exercise of options	17,234	2,036	3,113	49,118	28,338	N.A.
7.	Money realized by exercise of options (Rs.), if scheme is implemented directly by the Company	2,531,245	183,240	280,170	8,307,208	5,011,204	N.A.
8.	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9.	Number of options outstanding at the end of the year	57,829	96,982	113,800	275,937	187,236	261.78
10.	No. of options exercisable at the end of the year	57,829	96,982	113,800	275,937	166,239	266.03
11.	Method of calculation of employee compensation cost	Fair Value, using Black Scholes Merton model					
12.	Fair value of the options (net off reversals due to resignation of Option Grantees) for the FY 2021-22 (using Black Scholes Merton model)	Rs.(14.81) Mln.					

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013	ESOS 2014	Weighted Avg. Exercise prices (Rs.)
13.	Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at Sl. No. 11 above and the employee cost that shall have been recognized if fair value of options computed at Sl. No. 12 above is used	Not Applicable					
14.	The impact of the difference mentioned in Sl. No. 13 above on profits and on EPS of the Company	Not Applicable					
15.	Weighted Average exercise prices and Weighted Average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per option is Rs.261.78 Weighted average fair value per option is Rs.280.29					
16.	Weighted average share price at the date of exercise	The weighted average share price arising upon exercise of Options, based on the closing market price on National Stock Exchange of India Limited, on the date of exercise of options (the date of allotment of shares by the Allotment Committee) for the year ended March 31, 2022 was Rs.398.70					
17.	Range of Exercise Prices & Weighted Average remaining contractual life	Sl. No.	Particulars	As at March 31, 2022			
				No. of Options Out-standing	Range of Exercise Prices (Rs.)	Weighted Average remaining contractual life (years)	
		1	ESOS 2008	57,829	51 to 230	3.56	
		2	ESOS 2009 - Plan A	96,982	10 to 356	4.50	
		3	ESOS 2009 - Plan B	113,800	10 to 356	3.78	
		4	ESOS 2013	275,937	10 to 696	5.48	
		5	ESOS 2014	187,236	10 to 1066	8.86	

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

i)	Weighted Average Market price	Rs.391.73
ii)	Weighted Average Exercise Price	Rs.261.78
iii)	Weighted Average Stock Volatility	13.02%
iv)	Weighted Average Risk Free Interest Rate (%)	7.69%
v)	Weighted Average expected option life	10 years
vi)	Weighted Average expected dividends	Dividend yield not considered
vii)	Methodology for determination of volatility	The volatility of the stock returns (closing price of the Company's stock on NSE) of the Company for the period of one year prior to the date of grant of options has been considered. The Company has not incorporated the early exercise of options. There are no market conditions attached to the grant and vest.

Table 2 – Details of options granted in the FY 2021-22 to:

a.	Key Managerial Personnel	Nil
b.	Employees who received a grant in the year amounting to 5% or more of options granted during the year	Nil
c.	Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

The above Disclosure required to be made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is also available in the Company's website under other compliances at the following weblink: <https://www.ramco.com/periodic-compliances>.

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

P R VENKETRAMA RAJA
Chairman

Place : Chennai
Date : May 19, 2022

DISCLOSURES RELATING TO REMUNERATION**I. In accordance with Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

(i) & (ii) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Whole Time Director (“WTD”) / Manager, Directors, Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Company Secretary (“CS”) during the FY 2021-22:

Name of Director / KMP	Category / Designation	Remuneration of Director / KMP for FY 2021-22 Rs. Mln.	% Increase / (Decrease) in Remuneration in the FY 2021-22	Ratio of remuneration of each Director to median remuneration of employees
Mr. P R Venketrama Raja	Chairman / Non-Executive & Promoter Director	0.18	50.00%	0.36:1
Mr. M M Venkatachalam	Non-Executive & Independent Director	0.33	22.22%	0.65:1
Mr. A V Dharmakrishnan	Non-Executive & Non-Independent Director	0.33	37.50%	0.65:1
Mr. R S Agarwal	Non-Executive & Independent Director	0.36	33.33%	0.71:1
Mrs. Soundara Kumar	Non-Executive & Independent Director	0.36	33.33%	0.71:1
Mr. Sankar Krishnan	Non-Executive & Non-Independent Director	0.27	12.50%	0.54:1
Justice Mr. P P S Janarthana Raja (Retd.)	Non-Executive & Independent Director	0.36	33.33%	0.71:1
Mr. P V Abinav Ramasubramaniam Raja	WTD	1.50	4.84%	2.97:1
Mr. R Ravi Kula Chandran	CFO	10.86	23.33%	N.A.
Mr. Vijaya Raghavan N E	CS	1.96	24.38%	N.A.

Notes:

Mr. Virender Aggarwal, CEO was an employee of Ramco Systems Pte. Ltd., Singapore, a subsidiary of the Company, where his remuneration for FY 2021-22 (till the date of his cessation) was USD 1.06 Mln. (Rs.78.18 Mln.) including the final settlement and hence the same is not comparable with that of the previous year. He did not draw any remuneration from Ramco Systems Limited, India. Hence, his remuneration is not considered for the purposes of arriving at the figures in Points (iii) and (iv) below.

- (iii) The median remuneration of employees of the Company during the financial year was Rs.504,094 and the percentage decrease in the median remuneration was 3.11%.
- (iv) There were 1,796 permanent employees on the rolls of the Company and 2,041 permanent employees including those in the subsidiaries as on March 31, 2022.
- (v) Average percentage increase in salaries of employees other than the managerial personnel (i.e. WTD) in the FY 2021-22 was 7.4% and the increase in the managerial remuneration (i.e. WTD) in the FY 2021-22 was 0.7% (excluding sitting fees) and 4.84% including sitting fees.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

(i) Top 10 Employees in terms of remuneration drawn during the year or employees employed throughout the FY 2021-22 and who were in receipt of remuneration, in the aggregate, not less than Rs.10.20 Mln. per annum:

Name	Designation	Remuneration including retinals Rs. Mln.	Qualifications and Experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company	No of shares held and % of holding
Ranganathan J	Senior Vice President - Quality Head	11.68	Master of Management Studies., ICWA, ACS (33)	September 25, 1997	55	Whirlpool India Limited	-
Saravanan Rajarajan S	Director - Presales & Solution Advisory	10.87	B.E. (21)	May 11, 2004	45	Nagarjuna Fertilizers and Chemicals Limited	700 0.00%
Ravi Kula Chandran R	Chief Financial Officer	10.86	B.Com., CA (35)	February 01, 2002	60	General Signal India Private Limited	42,455 0.14%
Rajiv Kumar	Chief Human Resource Officer	9.30	B.A., LLB, PGDPM (27)	October 09, 2017	50	Hansa Mercator Group	-
Rohit Mathur	Senior Vice President & SBU Head - HCM	8.60	B.E., MBA (20)	October 16, 2012	46	Capgemini India Private Limited	1,172 0.00%
Sam Jacob	Senior Vice President & SBU Head-AAD	7.76	B. Tech., MBA (26)	June 02, 1997	51	Usha Ispat Limited	8,392 0.03%
Anand P	Associate Director	7.09	BEBT (21)	October 07, 2010	44	IBS Software Services Private Limited	-
Sandeep K G	Senior Business Consultant	6.20	B.Com. (15)	December 03, 2012	37	Blue Dart	-
Gayathri R	Vice President	6.14	B.Com., CA (22)	February 21, 2003	42	R.S. Vasan & Co	6,925 0.02%
Aibak Ismail K M	Senior Business Analyst	5.85	BEBT (9)	September 10, 2014	31	Jet Airways (India) Limited	-

- (ii) Employed for a part of the FY 2021-22 and was in receipt of remuneration, at a rate which, in the aggregate, not less than Rs.0.85 Mln. per month:

Name	Designation	Remuneration including retirsals Rs. Mln.	Qualifications and Experience (Yrs.)	Date of commencement of employment	Age	Last employment held before joining the Company	No of shares held and % of holding
Raghvendra Tripathi	Senior Vice President	21.21	B. Tech., MBA (24)	June 25, 2013	51	Satyam Computer Services Limited	-
Anamika Sharma	General Manager - Sales	9.68	BEBT (25)	September 09, 1996	49	N.A.	12,633 0.04%
Kushal Tiwari	Project Manager	2.78	B.E., MBA (11)	September 08, 2016	34	TATA Consultancy Services Limited	-
Vinitha Ramani	Director – Marketing	2.25	BBM, MA (16)	July 22, 2010	39	20:20 Media Private Limited	1,263 0.00%

Notes:

- All appointments are contractual.
- No employee who was in receipt of remuneration in excess of that drawn by Managing Director, holds 2% or more of the equity shares of the Company by himself or along with his spouse and dependent children.
- None of the employees mentioned above is related to any Director of the Company.
- 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 as applicable.

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

Place : Chennai
Date : May 19, 2022

P R VENKETRAMA RAJA
Chairman

FORM NO. MR-3

Secretarial Audit Report for the financial year ended 31st March 2022

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

To,
The Members,

RAMCO SYSTEMS LIMITED [CIN: L72300TN1997PLC037550]
47, P.S.K. Nagar, Rajapalayam – 626 108.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAMCO SYSTEMS LIMITED** ('the Company') **during the financial year from 1st April 2021 to 31st March 2022** ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts and statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the physical / electronic books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after 31st March 2022 but before the issue of this audit report;
- (ii) Compliance report on all laws applicable to the Company given by the Chief Executive Officer/ Manager, Chief Financial Officer and Company Secretary of the Company and taken on record by the Board of Directors; and
- (iii) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the financial year ended on 31st March 2022, the Company has complied with the statutory provisions listed hereunder; and also has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – 1.

1. Compliance with specific statutory provisions**We report that:**

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements set out hereunder.
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2022 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, the Company's compliance with the said applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements are as set out hereunder.
- 1.3 The Company has complied with the following:
 - 1.3.1 The Companies Act, 2013 and the rules made thereunder (the Act);
 - 1.3.2 The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
 - 1.3.3 The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - 1.3.4 The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments ('FEMA');
 - 1.3.5 The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST);
 - 1.3.6 The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which was replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021);

- 1.3.7 The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 1.3.8 The listing agreements entered into by The Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements) read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).
- 1.3.9 The Software Technology Park (STP) Scheme based on Foreign Trade Policy of the Department of Commerce, Government of India, which is specifically applicable to the Company's STP unit located in Chennai.
- 1.3.10 Secretarial Standards -1 (SS-1) on Meetings of the Board of Directors, and Secretarial Standards -2 on General Meetings, issued by the Institute of Company Secretaries of India, to the extent applicable to the Board Meetings and General Meetings held during the year.
- 1.4 The Company **was not required to comply with** the following on account of the non-mandatory nature / non-applicability / non-occurrence of any relevant event during the year:
- 1.4.1 Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- 1.4.2 The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients;
- 1.4.3 The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, which was replaced by the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from 16th August 2021;
- 1.4.4 The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which was replaced by the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 with effect from 10th June 2021;
- 1.4.5 The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- 1.4.6 The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 1.4.7 Secretarial Standards on Dividend (SS-3) (non mandatory) issued by the Institute of Company Secretaries of India; and
- 1.4.8 Secretarial Standards on Board's Report (SS-4) (non mandatory) issued by the Institute of Company Secretaries of India.
- ## 2. Board processes
- We further report that:**
- ### 2.1 Board constitution and balance
- 2.1.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Companies Act 2013 ("the Act") and SEBI LODR.
- 2.1.2 As on 31st March 2022, the Board has:
- 2.1.2.1 One Executive Director;
- 2.1.2.2 Three Non-Executive Non-Independent Directors; and
- 2.1.2.3 Four Non-Executive Independent Directors, including One Independent Woman director.
- 2.1.3 The following changes took place in the composition of the Board of Directors during the year, in compliance with the applicable provisions of the Act and SEBI (LODR):
- 2.1.3.1 Re-appointment of Mr. Sankar Krishnan (DIN 01597033) as a director upon his retirement by rotation at the 24th AGM held on 19th August 2021.
- ### 2.2 Board meetings
- 2.2.1 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings and Notice of Board meetings were sent at least 7 (seven) days in advance, except for the meetings which was convened with Shorter Notice.
- 2.2.2 Agenda and detailed notes on agenda were sent to the directors at least 7 (seven) days before the Board meetings except for the meetings which was convened with Shorter Notice. The following items were either circulated separately or at the Board meetings with the requisite consent as per SS-1:

2.2.2.1 Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results/ unaudited financial results and connected papers; and

2.2.2.2 Additional subjects/ information/ presentations and supplementary notes.

2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.4 We note from the Minutes that, at the Board meetings held during the year:

2.4.1 Majority decisions were carried through; and

2.4.2 No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

We further report that:

There are reasonably adequate systems and processes in the Company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/ actions

We further report that, during the year the following specific events/actions having a major bearing on the Company's affairs took place in pursuance of the above referred laws, rules, regulations and standards:

4.1 Allotment of Equity Shares under Employee Stock Option Scheme (ESOS)

An aggregate of 99,839 Equity Shares of Rs. 10/- each were allotted for cash at the applicable exercise

prices to eligible employees of the Company under various Employees Stock Option Schemes. Consequent to this, the Equity shares in the paid up capital of the Company stands increased from 3,07,14,082 to 3,08,13,921.

4.2 Formulation of Employee Stock Option Scheme 2022 (ESOS 2022)

The Board of Directors approved the formulation of Employee Stock Option Scheme 2022 (ESOS 2022) to create, issue, offer, allocate and allot at any time and from time to time, equity shares not exceeding 15,00,000 (Fifteen Lakhs Only) of Rs. 10/- each in terms of such options, subject to the approval of the Shareholders by way of Special Resolution.

4.3 Incorporation of Subsidiaries

4.3.1 Ramco Software Japan Limited was incorporated as a wholly-owned subsidiary in Japan on 1st April 2021; and

4.3.2 Ramco Systems Defense and Security Incorporated was incorporated as a step-down subsidiary in USA, through Ramco Systems Corporation, USA, on 1st November 2021.

4.4 Investment in Wholly Owned Subsidiaries

4.4.1 VND 2,320,900,000 in Ramco System Vietnam Company Limited, Vietnam;

4.4.2 IDR 7,250,000,000 in PT Ramco Systems Indonesia, Indonesia; and

4.4.3 JPY 9,500,000 in Ramco Software Japan Limited, Japan.

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

K SRIRAM

Partner

Membership No: F6312

Certificate of Practice No: 2215

UDIN: F006312D000347941

Date : 19th May 2022

Place : Chennai

ANNEXURE – 1 TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
RAMCO SYSTEMS LIMITED [CIN: L72300TN1997PLC037550]
47, P.S.K. Nagar, Rajapalayam – 626 108.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2022 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have taken an overall view based on the compliance process and practices followed by the Company, and considered :
 - 3.1 Compliance related action taken by the Company based on independent legal / professional opinion / certification obtained as being in Compliance with law, wherever there was scope for multiple interpretations.
 - 3.2 Compliance related actions taken by the Company after 31st March 2022 but before the issue of this report.
 - 3.3 Notifications /Circulars / Guidelines issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, and Guidelines issued by the Institute of Company Secretaries of India, in respect of various compliance related events as stated therein.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

K SRIRAM
Partner

Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312D000347941

Date : 19th May 2022
Place : Chennai

ANNUAL REPORT ON CSR ACTIVITIES

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

2. Composition of CSR Committee:

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

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

Composition of CSR committee:

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

CSR Policy:

<https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Corporate%20Social%20Responsibility%20Policy/Corporate-Social-Responsibility-Policy.pdf>

CSR Projects:

<https://www.ramco.com/hubfs/investor-relations/CSR-Projects.pdf>

Your Company is one among the leading software product provider in the Information, Communications & Technology industry. In accordance with the CSR vision of the Company and in alignment with the Areas of initiatives specified in the policy, The Company had undertaken social investment in the field of environment under clause IV of Schedule VII, by ensuring environmental sustainability, ecological balance, protection of flora and fauna etc.

The Company undertook the CSR project and its implementation through Auroville Foundation - Botanical Gardens Unit.

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

Not Applicable

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

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

6. Average net profit of the Company as per Section 135(5) (FY 2018-19 to FY 2020-21):Rs. 721.58 Mn.

7. (a) 2% of average net profit of the Company as per Section 135(5): Rs. 14.43 Mn.

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. : NIL

- (c) Amount required to be set off for the financial year, if any: NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c). : Rs. 14.43 Mln.

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

Total Amount Spent for the financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
Rs.2,000,000	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	12,430,000	28.04.2022		Nil	

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

1	Sl. No.	1
2	Name of the Project	"Conservation of the Tropical Dry Evergreen Forest of South India" (TDEF)
3	Item from the list of activities in Schedule VII to the Act	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga; [Clause (iv)]
4	Local area (Yes/No)	Yes
5	Location of the project	Auroville International Township
	State	Tamil Nadu
	District	Viluppuram
6	Project duration	3 years from June 2021
7	Amount allocated for the project (in Rs.)	14,430,000/-
8	Amount spent in the current financial Year (in Rs.)	2,000,000/-
9	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	12,430,000/-
10	Mode of Implementation - Direct (Yes/No)	No
11	Mode of Implementation - Through Implementing Agency	Through Implementing Agency
	Name	Auroville Foundation
	CSR Registration number	CSR00002152

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

1.	Sl. No.	
2.	Name of the Project	
3.	Item from the list of activities in schedule VII to the Act.	
4.	Local area (Yes/ No)	
5.	Location of the project	
	State	
	District	
6.	Amount spent for the project (in Rs.)	
7.	Mode of implementation - Direct (Yes/ No)	
8.	Mode of implementation - Through implementing agency	
	Name	
	CSR registration number	

Nil

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 2,000,000/-
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	2% of average net profit of the Company as per Section 135(5)	14,430,000/-
(ii)	Total amount spent for the financial year	2,000,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	Financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	FY 2021-22	12,430,000	2,000,000	Nil			

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

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

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

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) : Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset : Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Nil
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Nil

11. Specify the reason(s), if the Company has failed to spend 2% of the average net profit as per Section 135(5): N.A.

P R VENKETRAMA RAJA
(Chairman CSR Committee)

M M VENKATACHALAM
(Director)

Place: Chennai
Date: May 19, 2022

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

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

[In accordance with Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014- AOC-2]

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

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

a. Name(s) of the related party and nature of relationship	Not applicable since there were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2022 which were not at arm's length basis.
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date (s) of approval by the Board	
g. Amount paid as advances, if any	
h. Date on which the resolution was passed in General Meeting as required under first proviso to Section 188	

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

a. Name(s) of the related party and nature of relationship	Not applicable since there were no material contracts or arrangements or transactions entered into during the financial year ended March 31, 2022.
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Date(s) of approval by the Board, if any	
f. Amount paid as advances, if any	

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

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

P R VENKETRAMA RAJA

Chairman

Place : Chennai
Date : May 19, 2022

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

[In accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, the following information is furnished for the year ended March 31, 2022]

(A) CONSERVATION OF ENERGY:

- (i) Steps taken or impact on conservation of energy:-
As a part of energy conservation activity: Desktop to Laptop Transition: We had replaced the desktops with the laptops for the employees, which resulted into savings of approx. 1.5 units per desktop per day.
Server consolidation into HCI: We have invested into current state of the art Hyper converge Servers which helps in performance and energy savings.
- (ii) Steps taken by the Company for utilising the alternate sources of energy:- Nil
- (iii) Capital investment on energy conservation equipment's:- Nil

(B) TECHNOLOGY ABSORPTION:

With business needs becoming highly dynamic and unique, enhancing enterprise applications with richer features by leveraging latest technology stacks around Artificial Intelligence and Machine Learning became the need of the hour. FY 2021-22 witnessed the emergence of umpteen product capabilities developed by Ramco's able R&D team, specifically designed to cater to the niche needs of our clientele, thereby helping the Company deliver excellence.

Efforts made and benefits derived from technology absorption:

- Modern Mobility
As a complementary medium to perform specific business processes and enquiries, mobile interfaces have been developed and released in the market. These applications are made as PWA via Rest APIs and developed via Ramco's API framework. These UIs are richer, responsive and intuitive as compared to the earlier applications.
- Denormalization
Denormalization of application data is yet another concept that was initiated for specific functions and processes, during the year. The feature aims at improving application performance and response time in reporting. The denormalized data acts as a single source of information, thereby reducing errors. The feature also enables easy self-reporting, in any reporting platform/ tool.

➤ Collaborative Eco-system

We at Ramco believe that a collaborative ecosystem-based innovation strategy is an effective way for traditional enterprises to embark on their digital transformation journey. With this approach, we designed a new vendor portal on REACT base for richer experience, aiming at contextualizing information at hand and managing exceptions. The new portal will bring in add-on features and functions, via API calls. This acts as collaborative platform between vendors and organizations, thereby enabling easy enquiries and approvals, efficient communication management, and real-time data availability, resulting in reduced friction in the funnel. Invoice entry also gets outsourced to suppliers, through this.

➤ Unified Data Services (UDS) – the new Middle Layer Technology

At Ramco, the year 2021-22 witnessed the emergence of UDS, Ramco's new middle layer technology developed to bridge the gap with regards to application performance, scalability and data processing capabilities by introducing latest technologies. UDS capabilities include session-less server, data aggregation, improved performance with cache data, process driven workflows among others. UDS architecture and engineering is proven for bringing new processing capabilities in middle layer, with faster API response time besides adding to application scalability. Ramco's platform, tools and tech infra components are currently in the various stages of integrating with UDS. However, few development teams have proactively started developing the UDS APIs in a limited way to leverage the capabilities.

- For Desktop and Mobile users - Improved end user experience through faster API response time, improved scalability and availability
- For Development Teams – leveraging new capabilities in middle layer to orchestrate execution of multiple APIs through synchronous, asynchronous execution, process driven design patterns for application scalability and caching of data, aggregate data from multiple sources, filtering data, transform data, and real-time data services

➤ Self Explaining Payslip

FY 2021-22 witnessed the launch of Self Explaining Payslip, a smart AI-based service that lets employees seek explanations of their compensation and payslip component. Ramco's Self Explaining Payslip helps employees receive prompt and personalized responses to their payroll queries, without having to write to a payroll helpdesk and wait for a response. The feature has been helping companies reduce the dependency on their payroll helpdesk/ BPO support by more than 50%, thereby driving better employee experience and higher productivity of payroll teams.

➤ Employee Financial Wellness Programs

With an intent to foster employee growth and experience, Ramco partnered with various leading lending and financial wellness platforms to jointly extend the financial wellness benefits to its client employee base. With organizations striving to excel in people practices, financial wellness programs and the flexibility to access employees' earned wage are becoming the pandemic's hottest perks. Through these partnerships Ramco aims at not just delivering digital transformation but also helping organizations digitally enable their employees for higher employee productivity and retention rates.

Key Developments and Enhancements:

➤ Universal Fetch Engine (UFE) & Universal Personalization Engine (UPE).

➤ Since the launch of this feature last year, the R&D team has invested significant time and effort in enhancing these features with the latest technological stacks. Quick data retrieval and enquiries were enabled through UFE, especially as APIs, which is a faster way to build and consume. Here the underlying database tables or logic or field names are configured, and data retrieval is abstracted and optimized for reference by multiple calling entities.

The Universal Personalization Engine is embraced for more activities in procurement to give personalized data defaulting and ease of data entry.

➤ Zero UI

- Approvals: This year, a host of new transactions were brought under the coverage of multi-level approval with mail and mobile based actions.

- Chatbots: Bot-driven conversational flows were extended for supplier self-service, purchase request and work request functions.

➤ Building API Stacks

Ramco continues to build its standard API library. API is looked at as a generic fabric to scale up the application and enable multi-channel integration with the application be it via bots, e-mail or mobile.

While FY 2021-22 witnessed the adoption and implementation of some interesting capabilities, leveraging the latest technological stacks around artificial intelligence, machine learning, we will continue to focus on delivering next-gen user experience through Ramco's zero touch and mobile solutions.

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

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

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

Particulars	Rs. Mn.	
	FY 2021-22	FY 2020-21
Capital	5.02	1.74
Recurring	725.09	597.54
Total	730.11	599.28
Total R&D expenditure as a percentage of total revenue	26.11%	17.37%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Rs. Mn.	
	FY 2021-22	FY 2020-21
Foreign Exchange Earned in terms of actual inflows	1,723.65	2,120.13
Foreign Exchange Outgo in terms of actual outflows	441.72	306.61

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

Place : Chennai
Date : May 19, 2022

P R VENKETRAMA RAJA
Chairman

CORPORATE GOVERNANCE REPORT

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

Your Company has complied with the regulatory requirements and changes / amendments thereto, stipulated by the regulatory authorities for more transparent and better Corporate Governance as applicable to it.

PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to maintain high standards of Corporate Governance, protecting the interest of Customers, Members and other Stakeholders. In line with this philosophy, we endeavor to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance framework reflecting the values of the entity are ingrained in the functions.

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

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

BOARD OF DIRECTORS

Your Company has a competent and informed Board of Directors ("Board"). The Directors of the Company possess

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

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

The minimum information to be placed before the Board of Directors at their Meeting, as specified in Part A of Schedule II of SEBI LODR have been adequately complied with.

Board's Composition

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

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

Directors' Information

The details of the Directors, their age, designation, attendance in the Board and General Meeting held during the year and their shareholding in the Company as on March 31, 2022 are as follows:

Corporate Governance Report (Contd.)

Name of the Director/DIN	Age	Designation/ Position	Attendance		No. of equity shares held and % of holding
			Board Meeting held/attended	Last (24th) AGM	
Mr. P R Venketrama Raja DIN:00331406	63	Chairman / Non- Executive & Non- Independent Director, Promoter	6/6	Yes	3,353,366 (10.88%)
Mr. P V Abinav Ramasubramaniam Raja DIN:07273249	28	Whole Time Director/ Executive & Non- Independent Director	6/6	Yes	110,332 (0.36%)
Mr. M M Venkatachalam DIN:00152619	63	Non-Executive & Independent Director	5/6	Yes	-
Mr. A V Dharmakrishnan DIN:00693181	65	Non-Executive & Non- Independent Director	6/6	Yes	170,692 (0.55%)
Mr. R S Agarwal DIN:00012594	79	Non-Executive & Independent Director	6/6	Yes	-
Mrs. Soundara Kumar DIN:01974515	67	Non-Executive & Independent Director	6/6	Yes	-
Mr. Sankar Krishnan DIN:01597033	54	Non-Executive & Non- Independent Director	5/6	Yes	-
Justice Mr. P P S Janarthana Raja (Retd.) DIN:06702871	71	Non-Executive & Independent Director	6/6	Yes	-

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

Board Skills

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

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

Corporate Governance Report (Contd.)

Directors' Positions

In accordance with Regulation 26(1) of the SEBI LODR, none of the Directors is a Member in more than ten (10) Committees nor any of them a Chairperson of more than five (5) Committees across all listed entities in which they are Directors. As mandated under Regulation 17 of the SEBI LODR, none of the Directors holds Directorship in more than Seven (7) listed entities and not holding position as Independent Director in more than seven (7) listed entities. All the Directors have furnished their Directorship and Committee position in other entities as on March 31, 2022 in accordance with the Act and SEBI LODR.

Name of the Director	Directorship/ Chairpersonship in Board*		Chairpersonship/ Membership in Committees**		Directorships in Listed Entities other than this entity	
	Director	Chair-person	Member	Chair-person	Company	Category
Mr. P R Venketrana Raja	8	7 out of 8	6	3 out of 6	The Ramco Cements Limited	Executive & Non- Independent
					Ramco Industries Limited	Non-Executive & Non-Independent
					Rajapalayam Mills Limited	Non-Executive & Non-Independent
					The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent
Mr. P V Abinav Ramasubramaniam Raja	3	-	-	-	Ramco Industries Limited	Executive & Non- Independent
					Rajapalayam Mills Limited	Non-Executive & Non-Independent
Mr. M M Venkatachalam	6	2 out of 6	5	3 out of 5	The Ramco Cements Limited	Non-Executive & Independent
					Coromandel International Limited	Non-Executive & Non-Independent
					E.I.D Parry (India) Limited	Non-Executive & Non-Independent
					Coromandel Engineering Company Limited	Non-Executive & Non-Independent
Mr. A V Dharmakrishnan	6	-	2	-	Rajapalayam Mills Limited	Non-Executive & Non-Independent
Mr. R S Agarwal	3	-	3	2 out of 3	The Ramco Cements Limited	Non-Executive & Independent
					Ramco Industries Limited	Non-Executive & Independent
					Suryalakshmi Cotton Mills Limited	Non-Executive & Independent
Mrs. Soundara Kumar	6	-	6	2 out of 6	Rajapalayam Mills Limited	Non-Executive & Independent
					Tamilnadu Newsprint & Papers Limited	Non-Executive & Independent
					Shanthi Gears Limited	Non-Executive & Independent
					Carborundum Universal Limited	Non-Executive & Independent
					Bank of Baroda	Non-Executive & Independent
Mr. Sankar Krishnan	1	-	1	-	Nil	Nil
Justice Mr. P P S Janarthana Raja (Retd.)	3	-	3	2 out of 3	Rajapalayam Mills Limited	Non-Executive & Independent
					The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

*Public Limited Companies, other than Ramco Systems Limited.

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

Corporate Governance Report (Contd.)

Disclosure of relationships between Directors inter-se

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

Independent Directors and Familiarization Program

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

During the year, there were no appointment/re-appointment of Director except Mr. Sankar Krishnan (DIN:01597033), Director who retired by rotation and got re-appointed. The Company had issued formal letters of appointment/re-appointment to its Independent Directors at the time of their appointment/ re-appointment. The terms and conditions of draft appointment letter are available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/independent-directors-terms-of-appointment.pdf>. The tenure of Independent Directors is in accordance with the Act and SEBI LODR.

In accordance with Schedule IV of the Act and Regulation 25 of SEBI LODR, Independent Directors met without the presence of

Non-Independent Directors and Members of the Management on February 12, 2022 and all the Independent Directors were present at the Meeting. Amongst other matters, in the Meeting, they have reviewed/discussed about the performance of the Company, flow of information to the Board, performance of Non-Independent Directors, Board as a whole and performance of the Whole Time Director including the Chairman after taking views of Executive and Independent Directors.

Familiarization Programme for Independent Directors is to enable them to familiarize themselves with the Company, its Management and Operations. Not only Independent Directors, the Company continues to familiarize all its Directors on the technological and statutory developments, which have a bearing on the Company and the industry, so it would be effective in discharging their expected duties. The details of the Familiarization programs imparted to Directors is available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/DIRECTORS-FAMILIARISATION-PROGRAMME.pdf>.

In accordance with Regulation 25(10) of the SEBI LODR the Company has undertaken Directors and Officers Insurance.

Directors' Tenure

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

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

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

Corporate Governance Report (Contd.)

MEETINGS OF THE BOARD

The Board met six times during the FY 2021-22 viz., May 21, 2021, May 25, 2021, July 28, 2021, September 25, 2021, October 27, 2021 and February 12, 2022. The Company held at least one Board Meeting in every quarter. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days. The necessary quorum was present for all the Board Meetings.

Board Procedure

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

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

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

The Board of Directors periodically reviews Compliance Reports pertaining to all laws applicable to the Company. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiary are being placed before the Board of Directors of the Company. Updates on subsidiaries shall be placed before the Board on a quarterly basis. The Audit Committee of the Board reviews periodically the financial statements/ other allied matters of the subsidiaries.

The Board also satisfies itself that plans are in place for orderly succession for appointment of Board of Directors and Senior

Management. The Board sets out the annual performance objectives, oversees the actions and results of management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's Governance Practices for enhancing the stakeholders value.

Meeting Schedule

The tentative schedule of the Board and Committee Meetings is decided in advance and informed to the Directors. Generally, the Board and Committee Meetings are held at Chennai, where the Corporate Office of the Company is situated. At times, it may also be convened in the registered office/other place depending on the convenience. Considering the COVID-19 pandemic scenario, the Meetings during the year were held mainly through VC.

BOARD COMMITTEES

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

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

Audit Committee

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

The Committee met five times during the FY 2021-22 on May 25, 2021, July 28, 2021, September 25, 2021, October 27, 2021 and February 12, 2022. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days. The necessary quorum was

Corporate Governance Report (Contd.)

present in all the Meetings. The composition of the Audit Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mrs. Soundara Kumar	Chairperson, Non-Executive & Independent Director	5	5
Mr. M M Venkatachalam	Member, Non-Executive & Independent Director	5	5
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	5	5
Mr. Sankar Krishnan	Member, Non-Executive & Non-Independent Director	5	4
Mr. R S Agarwal	Member, Non-Executive & Independent Director	5	5
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	5	5

The Chairman of the Board, Whole Time Director, Chief Financial Officer and Chief Executive Officer / Chief Operating Officer, are invitees to all the Meetings of the Audit Committee and have attended all the Meetings respectively. The Company Secretary is the Secretary to the Committee. The Statutory Auditors and the Internal Auditors are invited to the Meetings of Audit Committee during results consideration. They have attended all Meetings held during the year where the results were considered.

All the Members of the Committee are financially literate and possess accounting and related financial management expertise. The Audit Committee holds discussion with Statutory Auditors without the presence of management as and when required. Mrs. Soundara Kumar, Chairperson of the Audit Committee was present at the last Annual General Meeting ("AGM") held on August 19, 2021.

Stakeholders Relationship Committee

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

The Committee met four times during the FY 2021-22 on July 06, 2021, October 05, 2021, November 15, 2021 and February 21, 2022. The necessary quorum was present in all the Meetings. The composition of Stakeholders Relationship Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. P R Venketrama Raja	Chairman, Non-Executive & Non-Independent, Promoter	4	4
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	4	4
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	4	4
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	4	4

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

During the year, no complaints from any shareholder were received. As on March 31, 2022, there were no outstanding complaints pending to be resolved. The quarterly statements on Investor Complaints received and disposed of are filed with Stock Exchanges within 21 days from the end of each quarter/uploaded on the Company Website at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/statement-of-investor-complaints/> and the statement filed/uploaded is also placed before the subsequent Meeting of Board of Directors. Grievances received from investors and other miscellaneous correspondence/mandates, etc. are processed by the Registrar and Share Transfer Agent M/s. Cameo Corporate Services Limited immediately after due verification.

Corporate Governance Report (Contd.)

Mr. P R Venketrana Raja, Chairman of the Stakeholders Relationship Committee was present at the last AGM held on August 19, 2021.

Nomination and Remuneration Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 178 of the Act and Regulation 19 of SEBI LODR read with Part D of Schedule II of the said Regulations. The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Act, SEBI LODR and functions as mandated by the Board from time to time. The Committee's primary terms of reference inter-alia include to formulate the criteria for determining the qualifications, skills, positive attributes necessary for recommending/inducting Members on the Board/Senior Management, performance evaluation of Independent Directors, Board as a whole and that of its Committees, recommend to the Board a policy relating to remuneration for the Directors, Key Managerial Personnel

and other employees. The Board of Directors have approved a Nomination and Remuneration Policy for the Company. The said Policy is available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/PDF%20Download%20URL/Nomination%20and%20Remuneration%20Policy/ramco-nomination-and-remuneration-policy.pdf>. In accordance with Regulation 5(2) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company had designated the Nomination and Remuneration Committee as Compensation Committee for the purpose of Administration and Superintendence of the Company's Employee Stock Option Schemes, both present and future.

The Committee met one time during the FY 2021-22 on May 25, 2021. The necessary quorum was present at the Meeting. The composition of Nomination and Remuneration Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	1	1
Mr. A V Dharmakrishnan*	Member, Non-Executive & Non-Independent Director	1	1
Mr. Sankar Krishnan	Member, Non-Executive & Non-Independent Director	1	-
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	1	1

*Member of the Committee till December 31, 2021. With effect January 01, 2022, the Committee was reconstituted to align with the provisions of Regulation 19(1) of SEBI LODR, with two third of the Members of the Committee being Independent Directors.

The Committee also administers the Company's Employees Stock Option Scheme. No options were exercisable by any Non-Executive Directors. The details of shares held by Directors of the Company as on March 31, 2022 are given in this report in page no.60.

All the Members of the Committee are Non-Executive Directors. The Company Secretary is the Secretary to the Committee. Mr. M M Venkatachalam, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 19, 2021.

Evaluation Criteria

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

The key areas of evaluation of individual Directors, including Independent Directors are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern

for stakeholders, Attentive to the internal control mechanism and Ethical conduct issues.

Remuneration to Directors

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

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

Corporate Governance Report (Contd.)

(i) Remuneration paid to Non-Executive Directors during the FY 2021-22 are as follows:

Name of the Director	Board Meeting	Committee Meeting	In Rs.
			Total
Mr. P R Venketrama Raja	180,000	-	180,000
Mr. A V Dharmakrishnan	180,000	150,000	330,000
Mr. M M Venkatachalam	150,000	180,000	330,000
Mr. R S Agarwal	180,000	180,000	360,000
Mrs. Soundara Kumar	180,000	180,000	360,000
Mr. Sankar Krishnan	150,000	120,000	270,000
Justice Mr. P P S Janarthana Raja (Retd.)	180,000	180,000	360,000

(ii) Remuneration paid to Executive Director during the FY 2021-22 are as follows:

Particulars of Remuneration	In Rs.
	Name of Manager / WTD Mr. P V Abinav Ramasubramaniam Raja
Salary	1,280,000*
Retirement benefits	38,170
Bonuses	-
Stock Options	-
Performance Linked incentives	-
Sitting Fees	180,000
Total	1,498,170

*Represents:

- salary-Rs.180,000/- for April and May 2021
- fixed monthly remuneration in the form of commission of Rs.1,10,000/- from June 2021 to March 2022.

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

During the year no Stock Options were granted to Non-Executive & Non-Independent Directors.

The details of remuneration paid to Directors and Key Managerial Personnel are given in Form MGT-9, which has been placed in the website of the Company and the weblink for the same has been disclosed in the Board's Report. There are no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company, other than fees being paid for attending Meetings.

Corporate Social Responsibility Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 135 of the Act. The Committee met two times during the FY 2021-22 on May 25, 2021 and February 7, 2022. The necessary quorum was present in all the Meetings. The composition of Corporate Social Responsibility Committee, Meeting held and attendance of the Members are given below:

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

The Chief Financial Officer is an invitee to the Meeting of Corporate Social Responsibility Committee. The Company Secretary is the Secretary to the Committee. The Company has framed a CSR policy which is available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/PDF%20Download%20URL/Corporate%20Social%20Responsibility%20Policy/Corporate-Social-Responsibility-Policy.pdf>.

Mr. P R Venketrama Raja, Chairman of the Corporate Social Responsibility Committee was present at the last AGM held on August 19, 2021.

The details of CSR activity carried by the Company, CSR spend and other details are given in the Board's Report.

Corporate Governance Report (Contd.)

Allotment Committee

The Board has constituted an Allotment Committee with the primary objective of allotment of shares and/or securities arising out of the stock option schemes, Rights Issues, Public Issues, Preferential Issues etc. The Meetings of the Committee are held on need basis.

The Committee met six times during the FY 2021-22 on May 25, 2021, July 09, 2021, September 02, 2021, October 08, 2021, December 21, 2021 and March 10, 2022. The necessary quorum was present in all the Meetings. The composition of the Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	6	6
Mr. P R Venketrama Raja	Member, Non-Executive & Non-Independent Director, Promoter	6	5
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	6	3

The Chief Financial Officer is an invitee to all Meetings of Allotment Committee. The Company Secretary is the Secretary to the Committee. During the year, 99,839 shares were allotted by the Committee to eligible employees/option grantees of the Company and its subsidiaries pursuant to exercise of Stock options. Further details on the same are given in the Board's Report.

Risk Management Committee

During the year, the Board at its Meeting held on July 28, 2021, had constituted Risk Management Committee. The Committee constitution, powers, role and terms of reference are in accordance with Regulation 21(5) of SEBI LODR read with SEBI vide its notification dated May 05, 2021.

The role and responsibility of Committee shall mandatorily include the performance or functions specified in Part D of Schedule II of SEBI LODR. This includes the following:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. To discharge such responsibilities as may be assigned by the Board of Directors or as may be prescribed by applicable laws, from time to time.

Corporate Governance Report (Contd.)

The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Committee met two times during the FY 2021-22 on October 27, 2021 and March 25, 2022. The necessary quorum was present in all the Meetings. The composition of the Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. P R Venketrama Raja	Member, Non-Executive & Non-Independent Director, Promoter	2	2
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	2	2
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	2	2
Mr. R Ravi Kula Chandran	Chief Financial Officer	2	2
Mr. Raghuveer Sandesh Bilagi	Chief Operating Officer	2	2

The Company Secretary is the Secretary to the Committee. Details about Risk Management Policy are given in the Board's Report.

Fund Raising Committee

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

GENERAL BODY MEETINGS

Annual General Meetings

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

Month/ Date/Year	Time	Location	Special Resolution Passed
August 19, 2021	3:00 p.m.	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	No Special Resolution was passed
September 07, 2020	3:00 p.m.	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	No Special Resolution was passed
August 08, 2019	11:45 a.m.	P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.	Re-appointment of Mrs. Soundara Kumar (DIN:01974515), as an Independent Director from March 27, 2020 to March 26, 2025.

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

Extra Ordinary General (EGM) Meetings

No EGMs were held during the last three years.

Postal Ballot

No special resolution was passed through postal ballot during the FY 2021-22. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution through postal ballot. No Special Resolution is proposed to be passed through Postal Ballot.

MEANS OF COMMUNICATION

Your Company provides prompt communication to all its stakeholders. Your Company interacts with Members through multiple channels of communication such as result announcements, Annual Report, media releases, audio/video calls, updating the information on Company's website.

Corporate Governance Report (Contd.)

Financial Results

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

Publication of Notice of Board Meeting for considering the financial results on a quarterly basis in newspapers is done away with, in accordance with SEBI, vide its notification in Official Gazette dated May 05, 2021,

Annual Report

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

Press & Media Release/Publication of Results

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

Means of Communication	Frequency
Press/Media Release	13 times
Earnings Call/Investors Meet	4 times
Publication of Results	4 times

Investors/Analysts Interactions

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

Stock Exchange Compliances

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

Dissemination

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

Intimation on KYC Update

In accordance with SEBI Circulars dated November 03, 2021, December 14, 2021 and January 25, 2022 regarding Common and Simplified Norms for processing Investor's Service request by RTA, Company has sent a communication through Registered post with masking on March 14, 2022 to all the holders of physical shares. It is mandatory for holders of physical securities to furnish PAN, full KYC details like address proof, bank details, e-mail address, mobile number etc., and Nomination (for all the eligible folios). Further details on the same are available in the Company website in the following link: <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>. Members are requested to avail the services as per the requirements.

MANDATORY & DISCRETIONARY REQUIREMENTS

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

Mandatory Requirements

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

Discretionary Requirements

Company has adopted following discretionary requirements of SEBI LODR:

- Separate posts of Chairman
The posts of the Chairman, Whole Time Director and CEO/COO of the Company are held by separate persons.
- Reporting of Internal Auditor
The Internal Auditor of the Company reports directly to the Audit Committee.
- Audit Opinion
The Company is already in the regime of financial statements with unmodified opinion.

Corporate Governance Report (Contd.)

MEMBERS INFORMATION

Corporate Identification Number	L72300TN1997PLC037550
Registration Number	18-37550 – Registered in the state of Tamil Nadu
Company Secretary & Compliance Officer	Mr. Vijaya Raghavan N E No. 64, Sardar Patel Road, Taramani, Chennai – 600 113. Phone: +91 44 2235 5558 Fax: +91 44 2235 5078 E-mail: investorrelations@ramco.com
Listing on Stock Exchanges	BSE Limited, PJ Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
International Securities Identification Number (ISIN)	INE246B01019
Stock Code	BSE – 532370 NSE – RAMCOSYS
Securities suspended from trading	No
Annual Listing Fees	Listing fees for the FY 2022-23 have been paid to the BSE and NSE.
Annual Custody Fee and Annual Issuer Fee	Custodial Fee / Issuer Fee for the FY 2022-23 have been paid by the Company to NSDL and CDSL.
Designated Depository	CDSL has been appointed by the Company – for monitoring the Foreign Investment limits.
Financial Year	April 01 to March 31
Book Closure	August 03, 2022 to August 10, 2022 (both days inclusive)
Annual General Meeting 2022	August 10, 2022 at 03.00 p.m. through Video Conference / Other Audio Visual Means
Annual General Meeting 2023	Tentatively in July/August, 2023
Financial Reporting 2022-23 -quarter ending	Tentatively
June 30	between end of July 2022 and August 14, 2022
September 30	between end October 2022 and November 14, 2022
December 31	between end of January 2023 and February 14, 2023
March 31	between end of April 2023 and May 2023
Outstanding GDR/ADR receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Nil. Since the Company has not raised any funds by way of GDR/ADR or warrants or any convertible instruments.
Commodity price risks and commodity hedging activities	Nil. Since the Company is not dealing in any commodities.
Global Presence/Plant Location/R&D Centre	Given in page no.1 and in the last Page of this Annual Report.
Credit Rating	Disclosed in the Board's Report
Correspondence Details of Company & RTA	The Company address for Investor correspondence is provided in the 3 rd row of this table and details of RTA are given below: M/s. Cameo Corporate Services Limited (Unit: Ramco Systems Limited) 'Subramanian Building'; No.1, Club House Road, Chennai – 600 002. Phone: +91 44 2846 0390 (5 lines) Fax: +91 44 2846 0129

Corporate Governance Report (Contd.)

Market Price Data

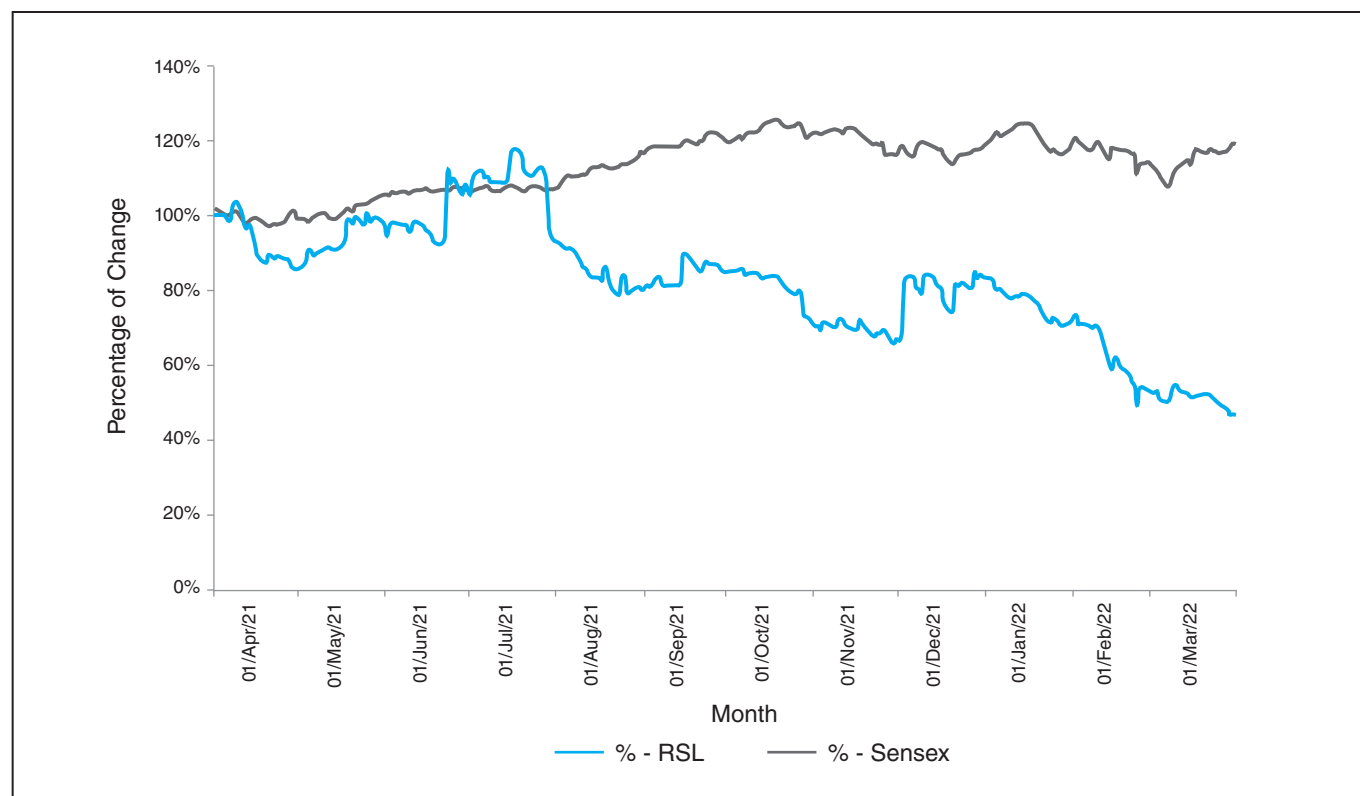
The Company's monthly high and low share price data as well as the total turnover during each month in the FY 2021-22 on the BSE and NSE are as mentioned below:

Month	BSE			BSE Sensex		NSE			NSE Nifty	
	Share Price (Rs.)		Volume Traded	High	Low	Share Price (Rs.)		Volume Traded	High	Low
	High	Low				High	Low			
Apr-21	606.80	460.00	287,705	50,375.77	47,204.50	607.30	459.30	3,706,316	15,044.35	14,151.40
May-21	608.25	474.60	389,512	52,013.22	48,028.07	608.00	474.25	3,933,234	15,606.35	14,416.25
Jun-21	665.50	516.95	632,553	53,126.73	51,450.58	665.65	517.00	6,322,895	15,915.65	15,450.90
Jul-21	686.00	516.45	724,538	53,290.81	51,802.73	687.25	516.55	5,473,976	15,962.25	15,513.45
Aug-21	541.80	431.00	433,140	57,625.26	52,804.08	541.15	430.95	3,615,028	17,153.50	15,834.65
Sep-21	526.50	451.80	475,684	60,412.32	57,263.90	526.70	451.80	3,474,992	17,947.65	17,055.05
Oct-21	497.95	407.80	322,239	62,245.43	58,551.14	498.00	407.45	2,465,564	18,604.45	17,452.90
Nov-21	421.95	366.70	290,508	61,036.56	56,382.93	422.40	367.00	2,048,993	18,210.15	16,782.40
Dec-21	507.00	372.00	554,075	59,203.37	55,132.68	507.70	371.90	6,123,766	17,639.50	16,410.20
Jan-22	483.45	385.55	214,368	61,475.15	56,409.63	483.65	386.00	1,811,885	18,350.95	16,836.80
Feb-22	420.50	273.05	322,165	59,618.51	54,383.20	422.40	274.65	2,917,450	17,794.60	16,203.25
Mar-22	322.45	261.90	463,729	58,890.92	52,260.82	322.55	262.00	2,907,687	17,559.80	15,671.45

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

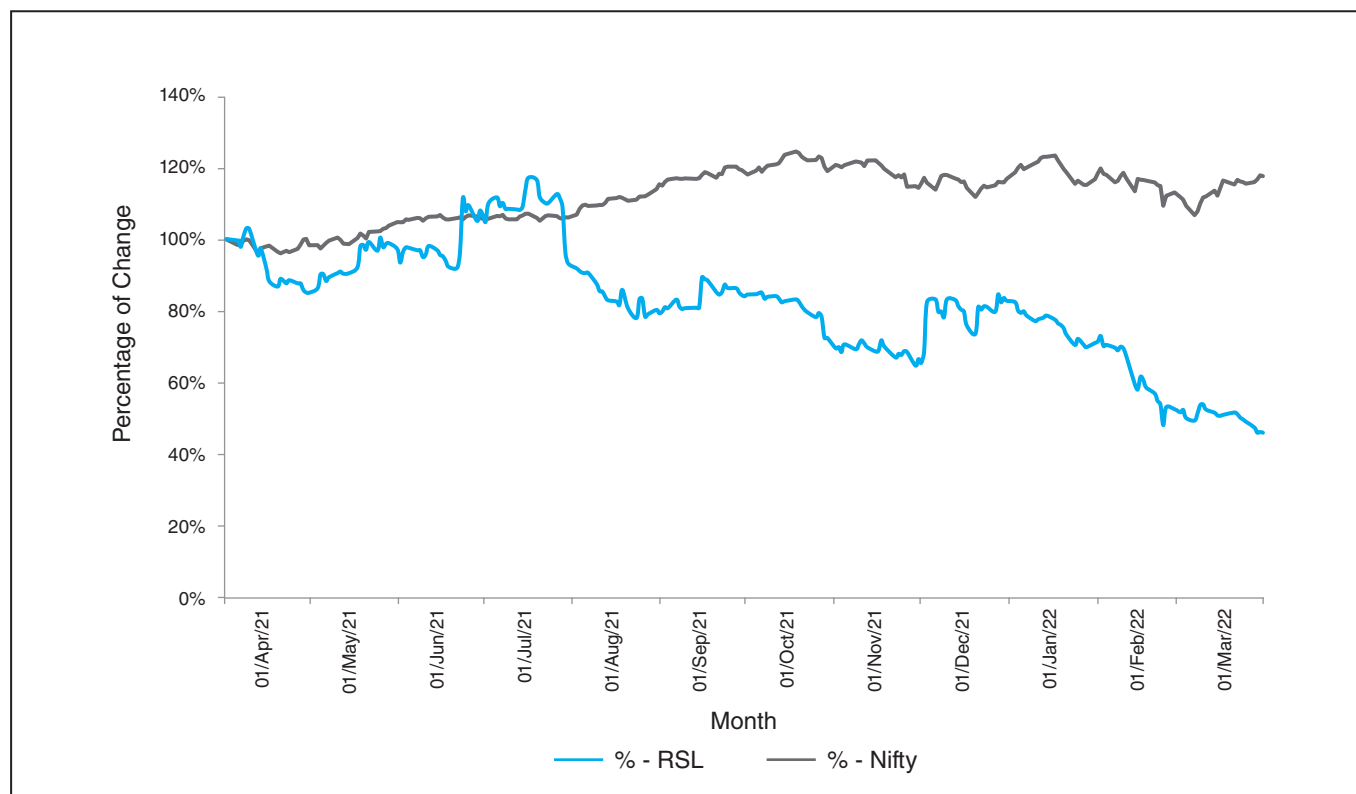
Performance in comparison to broad-based indices

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



Corporate Governance Report (Contd.)

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



Distribution of Shareholding

The Distribution of Shareholding of the Company as at March 31, 2022 is as follows:

Sl. No.	Holding range	Number of Members	% of total	Shares	% of total
1.	Between 1 and 500	40,700	93.80	2,922,456	9.48
2.	Between 501 and 1,000	1,362	3.14	1,031,786	3.35
3.	Between 1,001 and 2,000	662	1.53	958,845	3.11
4.	Between 2,001 and 3,000	218	0.50	548,061	1.78
5.	Between 3,001 and 4,000	110	0.25	388,200	1.26
6.	Between 4,001 and 5,000	73	0.17	341,134	1.11
7.	Between 5,001 and 10,000	135	0.31	978,014	3.17
8.	More than 10,000	128	0.30	23,645,425	76.74
	Total	43,388	100.00	30,813,921	100.00

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

Shareholding Pattern

Sl. No.	Category	Number of Members	Number of Shares Held	% held
1.	Promoters & Promoter Group	16	16,724,849	54.28
2.	Public	42,333	14,089,072	45.72
3.	Non-Promoter – Non-Public	-	-	-
4.	Shares underlying DRs and held by Employee Trust	-	-	-
	Total	42,349	30,813,921	100.00

Note: The above report is based on Permanent Account Number. Detailed Shareholding Pattern is provided in MGT – 9 forming part of Board's Report.

Corporate Governance Report (Contd.)

Share Transfer

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

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

Dematerialization of Shares

99.62% of the Company's paid-up Equity Share Capital has been dematerialized as on March 31, 2022. Trading in Equity Shares of the Company is permitted only in dematerialized form. Details as of March 31, 2022 are as follows:

Mode of Holding	Number of Holders	Number of Shares	% of shares
NSDL	16,011	20,253,752	65.73
CDSL	27,132	10,442,943	33.89
Total Demat holding	43,143	30,696,695	99.62
Physical	245	117,226	0.38

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

Reconciliation of Share Capital

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

Liquidity

Company's Equity Shares are actively traded on both NSE and BSE. Trading activity of the Company's equity shares witnessed a decline during the FY 2021-22 (49,912,002 shares) as compared to 2020-21 (93,064,388 shares).

BOARD & GOVERNANCE RELATED

Code for Insider Trading

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

Code for Fair Disclosure

Your Company has formulated "Code of Practices and Procedure for Fair Disclosure" (as part of above referred code) for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in accordance with PIT Regulations with an objective of protecting the interest of Members at large and preventing misuse of any UPSI. The Company has also framed Policy and Procedure for inquiry in case of leak or suspected leak of UPSI. The said Code & Policy were amended during the year is available at the Company's website, at the following weblinks: <https://www.ramco.com/hubfs/investor-relations/Amended-insider-Trading-Code%20-27-10-2021.pdf> and <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Policy%20-%20Leak%20of%20UPSI/Policy-on-inquiry-for-leak-of-UPSI-01.04.2019.pdf>.

Corporate Governance Certificate

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

The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 21 days from the end of quarter duly signed by the Compliance Officer.

Corporate Governance Report (Contd.)

Compliance

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

Whistle Blower Policy & Vigil Mechanism

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

The Vigil Mechanism provides adequate safeguards to the whistle blowers against any victimization. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns. It also provides a mechanism for stakeholders to approach the Chairman of Audit Committee. During the year, no requests from any personnel for access to the Audit Committee were received by the Company and hence, the question of denial of such access did not arise. The Company's Whistle Blower Policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Whistle%20Blower%20Policy/ramco-whistle-blower-policy.pdf>.

OTHER DISCLOSURES

Compliance Requirements	Compliance Status
Related Party Transaction ("RPT") Policy Web link	https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Related%20Party%20Transaction%20Policy/ramco-related-party-transaction-policy.pdf
Materially Significant Related Party Transaction (RPT) during the year	No such RPT made by the Company that may have potential conflict with the interests of the Company at large.
Material subsidiary Policy Web link	https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Material%20Subsidiary%20Policy/ramco-material-subsidiary-policy.pdf
Dividend Distribution Policy Web link	https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Dividend%20Distribution%20Policy/DIVIDEND-DISTRIBUTION-POLICY.pdf
Foreign Exchange Risk	Refer the Note No.30 of the standalone financials in page no. 158.
Details of Utilization of Funds	The Company has no unutilized funds raised through Preferential Allotment or Qualified Institutions Placement.
Recommendation of the Committees of the Board	All are accepted by the Board.
Sexual Harassment related disclosures	There were no complaints received during the year and no complaints were outstanding at the end of the year. Refer Board's Report for related disclosures in page no.32.
Loans and Advances to firms/companies in which directors are interested	There are no loans and advances given to firms/companies in which directors are interested. For loans and advances to others, refer note no.9.1 of the standalone financials in page no.127.
Statutory Auditors Fees	The total fee paid by the Company during the FY 2021-22 is Rs.2.16 Mln. Refer Note No.23.2 of the standalone financials in page no.147.
SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a Centralized web-based complaints redress system. Actions taken on the complaints and their current status are updated electronically in the SEBI SCORES system.
Unclaimed Suspense Account	Nil – Number of shares were lying in the Company unclaimed suspense account at the beginning & at the end of the year.

Corporate Governance Report (Contd.)

DISCLOSURES AND AFFIRMATIONS

CEO/CFO Certification

In accordance with Regulation 17(8) read with Part B of Schedule II of SEBI LODR, Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director and Mr. R Ravi Kula Chandran, Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board and the same is annexed to this report.

They also give quarterly certification on financial results while placing the financial results before the Board confirming that such financial results for the quarter/ year ended do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

Code of Conduct

The Company's Code of Conduct is applicable to all the Board Members and the Senior Management Personnel of Ramco. The duties of Directors including duties as an Independent Director as laid down in the Act also form part of the Code of

Conduct. The said Code of Conduct amended during the year is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Code%20of%20Conduct%20and%20Business%20Ethics/code-of-conduct-business-ethics.pdf>.

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

Directors & Senior Management Personnel

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

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

Declaration from the Whole Time Director under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended March 31, 2022.

For RAMCO SYSTEMS LIMITED

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

Place: Chennai

Date : May 19, 2022

Certificate from the Whole Time Director and Chief Financial Officer under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

Ramco Systems Limited

We, P V Abinav Ramasubramaniam Raja, Whole Time Director and R Ravi Kula Chandran, Chief Financial Officer, do hereby affirm the following, pursuant to provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to the financial reporting during the year ended March 31, 2022;

1. We have reviewed the standalone and consolidated financial statements and the Cash Flow Statement for the year ended March 31, 2022 and that to our best of knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading; and these statements together, present a true and fair value of the Company's Affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to such financial reporting and we have disclosed to the Auditors' and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and steps we have taken or steps proposed to rectify these deficiencies.
4. There were no instances on account of following, during the year ended March 31, 2022, which were required to be indicated to the Auditors' and the Audit Committee of the Company:
 - a. Significant changes, if any, in the internal control over the financial reporting.
 - b. Significant changes in the accounting policies during the year.
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For RAMCO SYSTEMS LIMITED

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

Place : Chennai

Date : May 19, 2022

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

*[Pursuant to paragraph E of Schedule V of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To

The Members

Ramco Systems Limited, [CIN: L72300TN1997PLC037550]

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

We have examined the compliance of the conditions of Corporate Governance by **RAMCO SYSTEMS LIMITED** (“The Company”) during the **financial year ended March 31, 2022**, as stipulated under the following Regulations/ Schedule of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”):

- (a) Regulation numbers 17 to 27 dealing with composition of the Board of Directors and its Committees, vigil mechanism, related party transactions and certain other matters;
- (b) Regulation numbers 46(2)(b) to 46(2)(i) dealing with the information to be disseminated on the Company’s website;
- (c) Part A of Schedule II dealing with the minimum information to be placed before the Board of Directors;
- (d) Part B of Schedule II dealing with the Compliance Certificates furnished by the Whole Time Director and Chief Financial Officer;
- (e) Part C of Schedule II dealing with the, role of Audit Committee and review of information by the Committee;
- (f) Part D of Schedule II dealing with the role of Nomination and Remuneration Committee, Stakeholder’s Relationship Committee and Risk Management Committee;
- (g) Paragraph C of Schedule V dealing with disclosures in the Corporate Governance Report;
- (h) Paragraph D of Schedule V dealing with the declaration signed by the Chief Executive Officer/Manager (Key Managerial Personnel under the Companies Act, 2013) affirming compliance with the code of conduct by the Board of Directors and Senior Management Personnel; and
- (i) Paragraph E of Schedule V dealing with compliance certificate on conditions of corporate governance issued by Practicing Company Secretaries to be annexed to the Board’s report to the members.

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

The Company’s management is responsible for compliance with the conditions of Corporate Governance. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by **the Company, its officers and agents, the Company has, during the year ended March 31, 2022, complied with the applicable conditions of Corporate Governance.**

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

For S Krishnamurthy & Co.,
Company Secretaries,
(Peer Review Certificate No. 739/2020)

K Sriram,
Partner.
Membership number: F6312
Certificate of Practice No. 2215
UDIN: F006312D000348038

Date: 19th May 2022
Place: Chennai

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

To

The Members

Ramco Systems Limited [CIN: L72300TN1997PLC037550]

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

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of RAMCO SYSTEMS LIMITED (“the Company”) as on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

S. No.	NAME OF THE DIRECTOR	NATURE OF DIRECTORSHIP	DIRECTOR'S IDENTIFICATION NUMBER
1	Poosapadi Ramasubrahmaneya Rajha Venketrama Raja	Chairman, Non-Executive Director	00331406
2	Poosapadi Venketrama Raja Abinav Ramasubramaniam Raja	Executive	07273249
3	Arrakundal Velayutha Raja Dharmakrishnan	Non-Executive	00693181
4	Murugappan Muthiah Venkatachalam	Independent	00152619
5	Radhey Shyam Agarwal	Independent	00012594
6	Soundara Kumar	Independent	01974515
7	Sankar Krishnan	Non-Executive	01597033
8	Posapadi Perumal Subba Raja Janarthana Raja	Independent	06702871

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

- Information relating to the Directors available in the official website of Ministry of Corporate Affairs: and
- Disclosures / declarations / confirmations provided by the said Directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

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

For S Krishnamurthy & Co.,
Company Secretaries,
(Peer Review Certificate No. 739/2020)

K Sriram,
Partner.

Membership number: F6312
Certificate of Practice No. 2215
UDIN: F006312D000348280

Date: 19th May 2022
Place: Chennai

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

With an expertise of over 25 years, Ramco Systems Limited's foundation has been centered around innovation and growth-driven culture. It is this legacy that reflects in the Company's unmatched energy and confidence, combined with an attitude to pursue immense possibilities. With the potential to unlock more, our investments and focused efforts in creating a value-driven, strategic transformation that reflects in the core values that we carry – Customer First, Employee Centric, Innovation Driven and Excellence.

Over the 25 years of innovation, the Company has consistently made its mark in the digital transformation journey of global

organization, by providing smarter artificial intelligence (AI) & machine learning (ML) solutions. This include key features like developing analytical and transparent outcomes, improving employee engagement, encouraging larger collaboration, driving operational efficiencies and improving productivity, among others. The organization has also been proactively responding to the changing trends of the world and delivering customised digital solutions that automate the processes and keep the organization aligned to the dynamically changing environment.

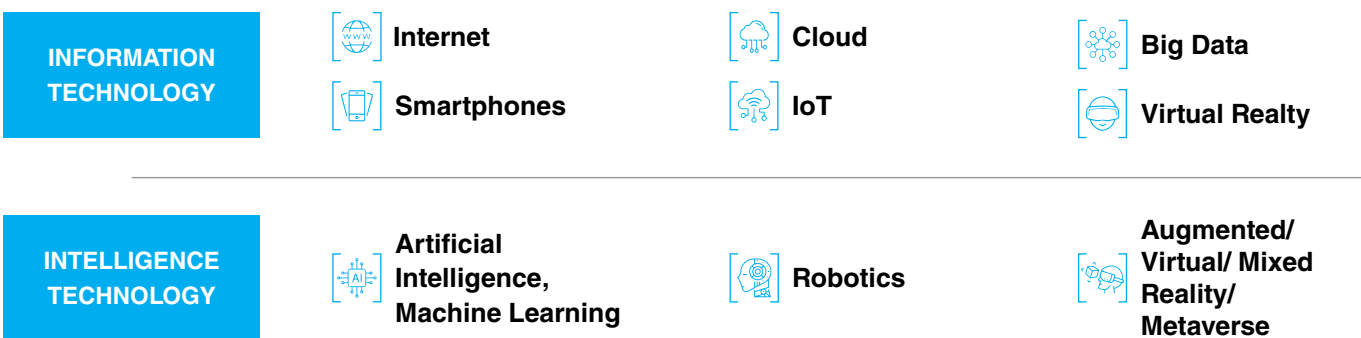


INDUSTRY STRUCTURE AND DEVELOPMENTS

Digital transformation is imperative for all businesses, from the small to a big enterprise. It integrates digital technology into the regular operations of any organization and how they deliver value to the customer. It aims at automating processes

through data analytics, technologies, and software and drives the businesses to strategically reposition themselves in the digital economy.

‘INFORMATION TECHNOLOGY’ has transformed to ‘INTELLIGENCE TECHNOLOGY’ over the last decade



In the post-pandemic world, an organization's ability to adapt quickly to supply chain disruptions, hybrid working culture, time to market pressures and rapidly changing customer expectations, has become critical. The COVID-19 pandemic has brought new urgency to meeting digital transformation goals – and forced many organizations to accelerate the activities. According to NASSCOM, the software products market, is estimated to clock USD 13.3 billion in annual revenue for FY22, after logging a CAGR of over 10% in the previous three financial years. During the same time period, the global market share of domestic software-as-a-service (SaaS) businesses doubled. Startups and new-age firms (with 100-1,000 employees) contributed to around 40-50% of the overall spending on software products. Besides, there is a growing demand mainly for replacement of legacy systems and cutting down on human interventions with SaaS solutions across finance, logistics, and HR through extensive use of AI & ML. Several global players as well as small and medium businesses are preferring Indian products for customisation or transaction-based pricing. It provides them the flexibility to buy and gradually scale solutions across geographies. Going ahead, organization will continue to step up their digital transformation efforts in a rapidly evolving landscape with extensive use of digital platforms.

PERFORMANCE REVIEW

The financial year 2021-22 witnessed improvement in the overall business sentiments despite being hit by consecutive waves of the pandemic. At Ramco, we kept progressing steadily towards making our goals a reality focusing on 3Cs – Care, Communicate & Connect. We are proud of the fact that being an Indian product company, we are enabling digital transformation of global conglomerates and helping them improve processes, productivity and driving efficiencies.

We continued to focus on innovation – leveraging AI & ML technology across all our businesses. We consistently invested in upgrading the platforms by incorporating the latest concepts and technologies to modernize our offerings, with minimal disturbance to the IP built over the decades. The pandemic had a temporary slowdown in order bookings, especially from the Asian regions, leading to a delay in closure of few large deals. However, with the easing of restrictions, the engagement levels are witnessing a significant improvement. Given below are our key businesses and their performance highlights:

PAYROLL PLATFORM

Ramco offers comprehensive payroll platform with robust integration and a flexible plug-and-play architecture. It enables organizations to comply with all statutory and regulatory requirements across 50+ countries besides driving harmonization of global payroll processes on a single platform.

HIGHLIGHTS

- Added newer countries, taking the total count to 60+ through our own platform and cover over 100 countries through in-country providers
- Continued to increase automation to fast-pace customer deliveries leading to quicker go-lives
- Launched self-explaining payslip, a smart, AI-based service that lets employees seek explanations of their compensation and payslip component, a move towards Conversational UI approach through chatbots
- Initiated strategic partnership with Workday to provide customers with a seamless integration that connects Workday Human Capital Management (HCM) with Ramco Global Payroll, across several countries
- Continued to deliver satisfactory outcome on the Oracle Fusion Cloud Human Capital Management (HCM) collaboration
- Initiated In Country Provider (ICP) model to collaborate with the processing companies locally and give a seamless experience to their clients
- Implemented RPA tolls in BPO operations to bring in automation to the process
- Infused future rollouts with Artificial Intelligence, Machine Learning to empower end users

AVIATION AND DEFENSE

Ramco offers a comprehensive end-to-end Aviation Maintenance & Engineering (M&E)/Maintenance Repair & Overhaul (MRO) product supporting the needs of MROs, Defense, Heli operators, Electric Vertical Takeoff and Landing (eVTOL), Drones/Unmanned Aircraft Systems (UAS), and airlines.

HIGHLIGHTS

- Released the upgraded software version 5.9.5 with advanced capabilities on 3rd party engine and component MRO's; it is currently being rolled out in two of the world's largest MRO organizations
- Added advanced capabilities on our flagship mobile application, Mechanic Anywhere, to transform the shopfloors and help them go paperless through remote access to maintenance documents, technical assistance, and digital sign-offs, which is especially helpful with compliance and statutory related functions
- Continued to strengthen foothold in the MRO segment and gained traction across the globe
- Empowered the customers to receive and manage the digital content from their OEM in XML and SGML file formats, and have also developed automated capabilities to process PDF-based OEM and customer documents
- Invested and deployed native adaptors with industry platforms such as OneAero and Aeroexchange
- Built API with a host of complementary solutions for managing specialized functions such as expense management, bank integrations, shipper aggregators, etc.
- Set up a wholly owned subsidiary in the United States to cater to the defense sector
- Initiated several product enhancements and feature releases leading to augmenting shopfloor digitization and paperless operations

ENTERPRISE SOFTWARE

Ramco offers suite of ERP products to specific industry segments like asset-heavy industries including cement & Ready Mix Concrete, ports, heavy equipment rental, and people-centric businesses like staffing, and professional services companies like IT/ITES, management consulting firms, BPOs, legal, and accounting firms, facility management companies and contractual labour-intensive industries.

HIGHLIGHTS

- Made further inroads in the US with a leading facility management and commercial cleaning service provider
- Continued to focus on niche industry verticals where we have successfully demonstrated our ability to deliver complete digital transformation to large enterprises
- Undertaken digital transformation program at India's largest publicly listed real estate company
- Undertaken digital transformation program at India's largest, and amongst world's third largest, manufacturer of tapered leaf springs and parabolic springs for automobiles
- Developed several generic APIs for seamless integration
- Mobile adaptive cards to interact with an application on any browser

LOGISTICS

Ramco offers end-to-end Digital Platform made especially for Logistics Service Providers with complete cloud-based system integration within the entire logistics value chain, supported with AI & ML for better interactivity and stronger efficiency.

HIGHLIGHTS

- Secured order from a significant supply chain solutions provider with business in Southern Africa and the Middle East
- Continued to focus on building capability to handle complex implementations and future business scale up

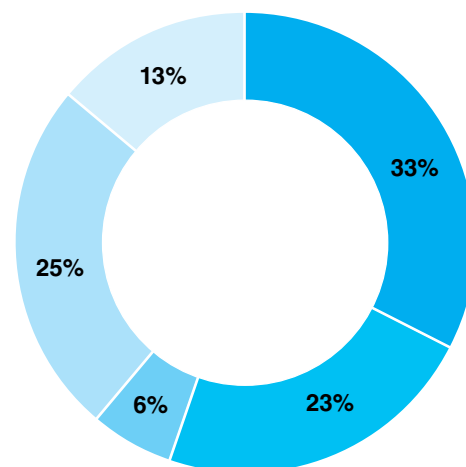
OTHER KEY BUSINESS HIGHLIGHTS

- Strong order bookings (USD 64.78 Mln. for the financial year 2021-22)
- Signed 13 'Mln.-Dollar-Plus' deals
- Initiated restructuring for business scale-up through appointment new leadership team, high quality cross functional heads across the businesses and geographies
- Embarked complete restructuring of our incentive and compensation structure
- Improved operational efficiencies and project execution to drive business forward
- Invested in Auto-Seed capability that enables pre-built elements country wise, helping in faster implementation for customer units and covering all statutory aspects

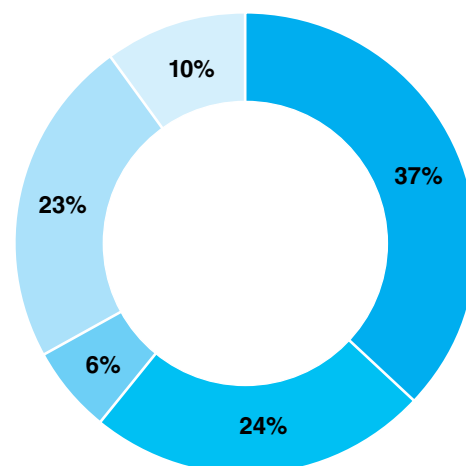
REVENUES BY GEOGRAPHY

Our performance during the year absorbed the business slowdown owing to the pandemic. However, the business team relentlessly built on the growth momentum to capitalize on the improvement in the external scenario. Over 77% of revenues were driven by business in international markets.

2021-22



2020-21



APAC

The pandemic posed significant challenges in business growth, globally. Asia being a high touch territory and a major contributor to the Company's business witnessed considerable slowdown, under the influence of continued lockdown. However, the region now shows signs of returning to normalcy with decent increase in engagement levels. Some of the key customers that onboarded us during the year:

ORDER WINS:

- (i) Brunei's largest oil and gas company, Brunei Shell Petroleum Co. Sdn. Bhd. trusts Ramco for its Aviation, Aerospace and Defense software service
- (ii) A global leading technology group that manufactures, and markets comprehensive filter programs and filtration services trusts Ramco for its Global Payroll solution
- (iii) APAC's special-purpose company, owned and regulated by the government body, trusts Ramco for its Global Payroll solution
- (iv) Brunei Darussalam's leading carrier airline trusts Ramco Global Payroll solution to centralize its payroll operations across 9 countries
- (v) India's leading integrated facility management service provider trusts Ramco Global Payroll

GO-LIVES:

- (i) World's leading coffee and tea company successfully implements Ramco Global Payroll across its 6 organizational units
- (ii) Manufacturers of Resin, Synthetic Rubber, Artificial and Synthetic Fibers and Filaments successfully implement Ramco Global Payroll
- (iii) Manufacturers and sellers of information and telecommunication systems, power systems, social infrastructure and industrial systems successfully go-live with Ramco Global Payroll

INDIA

GO-LIVES:

- (i) Indian multinational steel making company goes live with Ramco Contract Workforce Management Solution, bundled with HR & Global Payroll. With this successful implementation, Ramco covers over 100K employees at one of India's largest business conglomerates

AUSTRALIA

GO-LIVES:

- (i) One of Asia Pacific's largest independent advisory, design and engineering consultancies goes live with Ramco Global Payroll for its employees across 9 countries
- (ii) Australia's leading freight forwarders, third party logistics and warehouse service providers go live on Ramco ERP solution

US

With critical focus on Defense, Ramco Aviation kept the business momentum upbeat this year, the region also witnessed significant traction on the enterprise front. Some of the interesting customers who onboarded us during the year:

ORDER WINS:

- (i) Developer and manufacturer of hybrid fuel-electric unmanned systems for defense applications trusts Ramco for its Aviation, Aerospace & Defense software service
- (ii) Digital leader in Global Customer Experience trusts Ramco for its Global Payroll solution
- (iii) Leading integrated facilities management company trusts Ramco ERP solution
- (iv) American multinational financial and retail technology company trusts Ramco Global Payroll

MIDDLE EAST & AFRICA

ORDER WINS:

- (i) Leading innovative supply chain solutions provider trusts Ramco Logistics Software
- (ii) A diversified supply chain solution company serving the South African Market chooses Ramco for its comprehensive ERP solution

GO-LIVES:

- (i) Iraq's national carrier and Middle East's second oldest airline company, Iraqi Airways GOES LIVE on Ramco Aviation
- (ii) Saudi Arabia's established logistics service provider and brainchild of industry leaders - SISCO and Xenel Group, LogiPoint successfully implements Ramco Logistics Software to digitally transform its operations and services
- (iii) Leading global manufacturer of beverage packaging implements Ramco Global Payroll to digitally transform its payroll and time & attendance processes

FINANCIAL PERFORMANCE

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (SEBI LODR) the Company is required to give details of significant changes (change of 25% or more as compared to the previous financial year) in sector-specific key financial

ratios, as well as any changes in return on net worth. The following have been identified by the Company as key financial ratios, which are tracked only at the consolidated level.

PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
Interest Coverage Ratio	(12.55)	13.23
Current Ratio	1.91	2.39
Debt Equity Ratio	NIL	NIL
Operating Profit Margin	(12.80)%	18.63%
Net Profit Margin	(13.81)%	8.91%
Product Revenue to Total Revenue	40.81%	47.69%
Return on Net Worth	(12.63)%	8.56%
R&D Spend to Revenue	13.75%	9.57%
Days Sales Outstanding (DSO in nos.)	95	101

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

OPERATING PROFIT MARGIN (OPM):

The OPM for the year worked out to (12.80)% as against 18.63% due to decrease in PAT compared to the previous year. The reasons for the decrease in PAT are explained under NPM.

NET PROFIT MARGIN (NPM):

The NPM for the year worked out to (13.81)% as against 8.91% due to decrease in PAT compared to the previous year.

The decrease in the NPM is analyzed below:

PARTICULARS	Rs. Mln.
Decrease in Revenue	(952.04)
Decrease in Other Income	(52.90)
Decrease in Purchase of Stock in Trade	50.82
Net increase in Employee cost benefit	(197.17)
Decrease in Finance Costs	34.06
Increase in Depreciation and Amortisation Expense	(61.72)
Increase in Provision for Doubtful Debts	(101.43)
Increase in Other Expenses	(532.60)
Lower Taxes	516.01
Increase in Share of Profit of an Associate	0.69
Decrease in Non-Controlling Interests	4.92
Decrease in PAT attributable to Shareholders of the Company	(1291.36)

INTEREST COVERAGE RATIO:

The finance costs have come down to Rs. 54.19 Mln. during the current year from Rs.88.25 Mln. during the previous year.

- (i) The interest on loans and finance charges have come down to Rs.2.08 Mln. during the current year compared to Rs.27.24 Mln. during the previous year, on account of decrease in average borrowings.
- (ii) The interest on lease liabilities have come down to Rs. 52.11 Mln. during the current year compared to

Rs.61.01 Mln. during the previous year due to reduction in the lease liabilities.

At the same time, the earnings before interest and tax has significantly decreased from Rs.1,167.12 Mln. in the previous year to Rs.(679.92) Mln. during the current year.

The above had resulted in the decline of interest coverage ratio from 13.23 for the previous year to (12.55) for the current year.

CURRENT RATIO:

The Current Ratio has decreased by 20.14%, i.e., from 2.39 as at the end of the previous year to 1.91 as at the end of

the current year. This is due to increase in current liabilities by 12.51% and decrease in current assets by 10.15%.

PARTICULARS	AS AT THE END OF THE CURRENT YEAR	AS AT THE END OF THE PREVIOUS YEAR
CURRENT ASSETS		
Trade receivables	1,666.61	1,820.18
Other financial assets	748.65	1,004.35
Other current assets	1,404.90	1,426.78
Others	264.28	294.58
Total	4,084.44	4,545.89
CURRENT LIABILITIES		
Borrowings	-	-
Trade payables	692.47	563.59
Lease liabilities	112.99	107.04
Others	1,332.44	1,229.58
Total	2,137.90	1,900.21
CURRENT RATIO	1.91	2.39

RETURN ON NET WORTH:

The net profit has decreased by 231.52%, i.e., from a profit of Rs. 557.77 Mln. to a loss of Rs.733.59 Mln. (as explained under NPM above), while the equity has reduced by 10.93% from Rs.6,518.48 Mln. to Rs. 5,806.18 Mln., resulting in an decrease in return on net worth from 8.56% during the previous year to (12.63)% for the current year.

R&D SPEND TO REVENUE:

With Revenue dropping by 15.20%, coupled with increase in R&D spend by 21.83%, the R&D spend to revenue has increased by 43.67%.

CHALLENGES

The digital transformation journey for organizations, despite being exciting, still continues to evolve at a lower pace. While the new generation tech-savvy start-ups adopt quickly, the challenges lies in the cultural transformation across established organizations. High cost associated with implementation, use of

OUTLOOK

In the post-covid era, we are witnessing continuous shift to cloud and increased enterprise IT spending. Digital business initiatives have increased spending on enterprise applications, infrastructure software, and managed services and cloud infrastructure services. Our products are built using robust integrated technology platform and we constantly strive to bring in latest updates by incorporating the latest concepts and technologies. It allows us to completely modernize our offerings, with minimal disturbance to the IP built over the decades.

In the payroll platform we will continue with our strategy to expand the reach, by partnering with in-country-providers in countries where we do not yet have statutes. Besides, our collaborations with major Human Capital Management platform vendors to provide our Payroll solution to their customers, is starting to yield results, with good additions to the pipeline. We will continue to explore collaboration opportunities to improve business performance, shift operating models and drive digital innovation. With on-demand pay, flexi-pay becoming need of the hour, Ramco will benefit from the partnerships with Fintech companies in India and Australia. It will further enable our client base to leverage various financial wellness benefits such as earned wage access, salary advances and personal loans through an easy-to-use platform leading to higher employee

RISK MANAGEMENT

Macro risks such as post impact of Covid-19 pandemic, slow opening of the global market, geo-political events in eastern Europe continue to challenge the businesses around the world.

At Ramco, we have a risk management system that identifies and monitors the key risks and its impact on the business. The uncertainty of these risks can substantially impact, or have the potential to affect the organization's strategy, business model or available resources. These material risks are evaluated against the industry and global landscape to ensure that relevant emerging and existing factors are considered. We have identified such potential risks and set up mitigation measures

the open-source application in small and medium businesses, and surge in security & privacy concerns among open source applications enterprises have been further hindering the market growth.

satisfaction and strong retention rates. Besides, we shall also explore opportunities to make further inroads into the matured markets of Japan.

Our wholly owned subsidiary – Ramco Systems Defense & Security Incorporated (RSDSI), headquartered in Dallas, will continue to foray into the North American markets, Besides, we have onboarded major U.S. defense prime contractors providing services across the Department of Defense, ranging from depot maintenance, aircraft fleet management for Service aircraft, Government facility management, adversary air services and pilot training, logistics and sustainment support for aircraft in the field, and MRO activities.

In the ERP business, we will continue to explore business opportunities in the niche industry verticals to replace the legacy systems and at the same time work on the module to deliver real-time information and integration.

In the logistics business, we will continue to focus on building our capability to handle complex implementation and prepare for business scale ups. Considering the strong growth opportunities in the logistics sector, the business outlook for this segment is optimistic.

to reduce the impact. Besides, the Company's internal auditors regularly assess the adequacy of risk management strategies and report its findings to the Audit Committee of the Board of Directors.

Ramco being one of the Top 1000 Companies by way of market capitalization as on March 31, 2022, the Board has constituted a Risk Management Committee. A detailed note on the attendance, composition of the Committee along with other details are provided in the Corporate Governance Report Section of this Annual Report.

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

TYPE OF RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
IMPACT OF COVID	<ul style="list-style-type: none"> COVID has impacted the order booking and consequently the revenue, due to continued lockdown, particularly in the Asia region. Though the severity of the disease decreased because of increased vaccinations, there could be a risk of further waves, which could affect service delivery by the employees. 	<ul style="list-style-type: none"> We continue to focus on diversified geographic business model. Have set up an entity in the US to cater to defense related aviation related business. The Company has adopted the hybrid work model in order to ensure business continuity and customer service.
TALENT ATTRITION	<ul style="list-style-type: none"> High levels of attrition will impact the business and its growth. It could push up the employee costs. 	<ul style="list-style-type: none"> As part of employee retention strategy, critical employees have been identified and rewarded with one-time incentives, as well as grant of stock options. Salary revisions are being done. We have started creating a buffer of resources. Investments in learning & development, upskill / cross skill initiatives are being undertaken.
CYBER ATTACKS	<ul style="list-style-type: none"> This will have an impact on all activities carried out from servers in our data centre. It will cripple our managed services business considering that we process payroll on behalf of our clients. 	<ul style="list-style-type: none"> We have moved all our development servers, Client Production servers, and client operations platform to cloud. We have segmented the network to prevent any potential attack on one segment to impact another. We also have set up three levels of back up (and disaster recovery), and also address country risk. Further initiatives around the same are being undertaken.
PRODUCT OFFERINGS	<ul style="list-style-type: none"> Product offerings without technology refresh, with the competition making rapid strides may impact our revenue. 	<ul style="list-style-type: none"> We are keeping our platform updated and upgraded and staying ahead of competition. We continue to make newer Investments on R&D.

INTERNAL CONTROL SYSTEMS

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

The Company has an external audit firm for carrying out the internal audit, based on a plan finalized in consultation with

the statutory auditors and approved by the Audit Committee. The Internal Auditors directly report to the Audit Committee. The internal audit reports are submitted / presented in the Audit Committee and discussed. The Audit Committee also obtains the views of the internal and statutory auditors to ascertain the adequacy of internal control systems. The statutory auditors have issued a report on the internal control over financial reporting (as defined in Section 143 of the Act). The Company had assessed the effectiveness of the internal control over financial reporting (in accordance with Regulation 17(8) of SEBI LODR) as of March 31, 2022. Based on its evaluation (in accordance with Section 177 of the Act and Regulation 18 of SEBI LODR), our Audit Committee has concluded that, as of March 31, 2022, our internal financial controls were adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT

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

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L72300TN1997PLC037550			
2.	Name of the Company	Ramco Systems Limited (“Ramco”)			
3.	Registered address	47, PSK Nagar, Rajapalayam – 626 108			
4.	Website	https://www.ramco.com/			
5.	E-mail id	investorrelations@ramco.com			
6.	Financial Year reported	April 01, 2021 to March 31, 2022			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes as per NIC – 2008			
		Group	Class	Sub Class	Description
		620	6201	62011	Writing, modifying, testing of computer program to meet the needs of a particular client excluding web page designing.
				62013	Providing software support and maintenance to the clients
		631	6311	63111	Data processing, hosting and related activities; Data processing activities including report writing
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	(i) Computer Programming and related activities (ii) Consultancy and related activities (iii) Hosting and related activities			
9.	Total number of locations where business activity is undertaken by the Company	Number of International Locations: Please refer the list of overseas location given at the end of the Annual Report. Number of National Locations: Ramco has 5 offices at Chennai, Mumbai, Gurugram, Bangalore and Rajapalayam.			
10.	Markets served by the Company	Local	State	National	International
		√	√	√	√
		India, North America, Europe, Middle East, Africa, Asia (Malaysia, Singapore, Philippines, Indonesia, Vietnam, China, Hong Kong, Macau and Japan), Australia and New Zealand.			

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital - Rs. Mln.	308.49
2.	Total Turnover - Rs. Mln.	2,900.08
3.	Total profit after taxes - Rs. Mln.	(499.71)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company committed to spend its obligation of Rs.14.32 Mln. out of which it has spent Rs.2.00 Mln. during the year and transferred the balance to the unspent CSR Bank Account. Further details are given in the Annexure V to Board’s Report.
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annexure V to Board’s Report

Business Responsibility Report (Contd.)

SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary Company/Companies?	Yes. Refer Annexure to Board's Report – MGT 9 uploaded in the weblink: https://www.ramco.com/investor-relations/investor-information/annual-return/ .
2.	Do the subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Business Responsibility (“BR”) initiatives of the Company are not applicable to its foreign subsidiaries. However, the subsidiaries share/follow the principles & ethics of the parent Company and are responsible businesses.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company involves its Business Associates in its BR initiatives. However, their extent of participation in terms of percentage cannot be quantified.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	DIN Number	00331406
2.	Name	Mr. P R Venketrama Raja
3.	Designation	Chairman

(b) Details of the BR head

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

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for BR Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies/processes framed by the Company are in accordance with the applicable laws and standards, as applicable for the business operations of the Company from time to time. The policies/process are at par with generally accepted practices for the respective principles.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes the policies are approved by the Board/Senior Management Persons/Business Unit Heads as required respectively.								
5.	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The statutory policies are available on https://www.ramco.com/investor-relations/corporate-governance/policies-and-codes and certain management/operational related policies are available in the Company's internal portal for information of relevant stakeholders.								

Business Responsibility Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's website contains the policies for information of all internal and external stakeholders. Further, relevant communication is provided to stakeholders through appropriate mediums.								
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes, Human Resource Grievance Redressal System, The Whistle Blower Mechanism, Prevention of Sexual Harassment Policy, etc., provides opportunity to report any concerns or grievances pertaining to any potential or actual violation of the relevant policies including remedial measures/action taken by appropriate team to address such violation/concern, as the case may be. An Investor grievance mechanism is also in place to respond to any investor grievances.								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The ISO Standards and other standards adopted by the Company are subject to routine monitoring/evaluation/ review by their concerned external agencies on periodical basis. The implementation of the policies are subject to review by Statutory Auditors and Internal Auditors.								

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

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee consisting of 3 Directors is responsible to assess the BR performance of the Company and to oversee the implementation of the related policies. It is reviewed on periodical basis or as and when the need arises. The CSR Committee at its meeting held on May 19, 2022 had reviewed and approved the BRR for the year FY 2021-22.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR is forming part of Annual Report and also placed on the Company's website at <https://www.ramco.com/periodic-compliances>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Ramco provides software and services that are sustainable and safe. Ramco respects and promotes the well-being of all employees, including those in their value chains. Ramco respects the interests of and is responsive to all its stakeholders. Ramco as a major Business unit respects and promotes human rights and promotes inclusive growth and equitable

development. Ramco engages with and provides value to its customers in a responsible manner.

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

Ramco as a Business conducts and governs itself with integrity and in a manner that is ethical, transparent and accountable. Ramco and its employees are committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices and to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption. This applies to all individuals worldwide working for all affiliates and subsidiaries of Ramco at all levels and grades, including Directors, senior executives, employees (whether permanent, fixed-term, hourly or temporary), consultants, contractors, trainees, outsourced staff, interns, partners, or any other person associated with Ramco.

This would also mean that, any individual or organization, who/ which come into contact or transact with Ramco, including prospects, clients, suppliers, business contacts, consultants, intermediaries, representatives, subcontractors, agents, advisers, joint ventures and government & public bodies (including their advisers and representatives). Appropriate action will be taken for any breach of the code including dismissal through termination.

Business Responsibility Report (Contd.)

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. Group has a separate policy. Suppliers / Contractors / Others are governed as per the agreement. The Company's policies viz. Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy which lay down the Rules and procedures by which any stakeholder can report the actual or suspected improper activities of any kind, fraud and violation of Company's code of conduct is hosted on the Company's website. The whistle blower policy extends to individuals who are in full time or part time employment with the Company or its subsidiaries including those serving as consultants and contract/third party employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year, no Compliant has been received under Whistle Blower Policy. During the year no complaints has been received from Members.

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

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

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

Self-Explaining Payslip

This is a smart, AI-based service that lets employees seek explanations of their compensation and payslip component. Ramco's Self Explaining Payslip feature empowers customers' employees receive prompt and personalized responses to their payroll queries, without having to write to a payroll helpdesk and wait for a response. It answers queries employees most frequently have on their payslip and salary computation. These include queries related to payments that vary from period-to-period, information that is not directly available in a payslip and tax related queries. Available 24/7 and secured with a two-factor authentication, Ramco's Self Explaining Payslip also enhances employee experience through proactive notifications across payslip availability, tax declarations and salary analytics.

Self-Configuration Engine

Ramco has come up with an AI based auto /self-configuration tool in HRP that assists the configuration team in getting country-specific statutory compliance requirements based on industry / organization size / country etc. This helps Ramco employees to complete the implementation faster as well as benefits our customers to spend little time during the initial setup.

Making our products more democratic

The pandemic has accelerated the adoption of the gig working model, with numerous jobs getting created in the gig blue-collar space. To enable this acceleration technologically, Ramco recently introduced an authentication feature wherein users can use their facial identity to login into Ramco's application. This provides 2-pronged benefits to both customers' IT team and their blue-collared workers. The feature enables the blue-collared workers (with no / very limited IT exposure) to be able to use Employee Self Service functions - just by showing their face they can navigate through the screens using their voice in their native language and perform business transactions (without touching the screen). This also eliminates the need to train the blue collared workers on the usage.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable

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

Ramco being software product based Company, its products are not resource intensive and hence reduction is negligible.

At Ramco, emissions are constantly monitored. The operation of diesel generator sets are monitored to ensure that they are within permissible limits prescribed by the regional Pollution Control Boards.

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

Deployment of Hyper Converge Infrastructure (HCI) brings in an optimized Data Centre Compute and Storage footprint, thereby reducing energy and cooling

Business Responsibility Report (Contd.)

requirements in our data centres. At the same time, HCI brings in greater resiliency, higher security levels with the adoption of Zero Trust oriented Software Defined Network solutions within the HCI environment, supplemented by micro segmentation. Self-provisioning features of the tools enhances quick deployment, employee's productivity and in turn improves speed to market.

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

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

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. However, the percentage cannot be quantified.

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

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

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

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

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

In FY 2021-22, we have not made e-waste. We have tied up with an approved recycling vendor to dispose our dry and wet waste for the coming years.

In the past RAMCO has contributed towards recycling of Wastepaper and the same has been appreciated/acknowledged by ITC Limited (Paper Boards & Specialty Papers Division). Generally, we recycle & use Printer Toner cartridges after refilling them, which falls in the range of less than 5%. 5-10% of Nonworking Laptops / Desktops are sent as e-waste. All e-waste products which are less than 5% are being disposed through Government approved / authorized vendors.

The process involves collection of e waste products, testing & separation of the items based on use, identify them for sale/ disposal, remove them from our asset records and disposal after approval.

Principle 3 (P3) - Businesses should promote the well-being of all employees.

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

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

- Please indicate the Total number of employees: 1,796 permanent employees on rolls of the Company.
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. Third Party Employee: 95 & Retainer: 34
- Please indicate the Number of permanent women employees: 720
- Please indicate the Number of permanent employees with disabilities: 1
- Do you have an employee association that is recognized by management: No
- What percentage of your permanent employees is Members of this recognized employee association? : Not Applicable
- Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year?
Nil
- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sl. No.	Type	Percentage of Employees	Skill upgradation Training
(a)	Permanent Employees	93% (of 1,925 total employees)	76%
(b)	Permanent Women Employees	40% (of 1796 permanent employees)	78%
(c)	Casual/ Temporary/ Contractual Employees	7% (of 1,925 total employees)	60%
(d)	Employees with Disabilities	0.057%	100%

Business Responsibility Report (Contd.)

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

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

1. Has the Company mapped its internal and external stakeholders? Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's CSR programs in the past were target promoting education, including special education and employment enhancing vocation skills, especially, among children, women, elderly and the differently abled and livelihood.

Please refer the CSR projects undertaken by the Company in the past for more details in this link: <https://www.ramco.com/hubfs/investor-relations/CSR-Projects.pdf>

We have a structured internship program and work with campus recruitment cells for fresh engineering graduates, aiming at increasing their employability in the current IT industry scenario, and leveraging fresh minds to work in new-age projects with the latest technological stacks. Currently, the Company has also firmed up plans on launching a centre in Madurai in the of Tamil Nadu. Madurai Center will focus on development, execution and delivery etc., and will be an extended arm of Chennai Centre. Ramco aims to recruit around 200 employees over the next two years

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

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

Focus is also on freedom of expression, privacy and security. Business units are more focused to integrate human rights principles into our activities.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Code of Conduct and HR policies & practices have been developed to respect and protect human rights. It covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year, the Company did not receive any complaint in respect of violation of human rights.

Principle 6 (P6) - Businesses should respect, protect and make efforts to restore the environment.

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

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

Ramco has its key focus on Cloud based solutions and offering. It has an ecosystem of vendors and suppliers who work with these solutions both as intermediaries and as solution partners. Given the context, there is a natural preference to work with other product vendors which are also on cloud. The products are hosted on Cloud infrastructure providers like AWS, MS-Azure.

Ramco partners with service/implementation providers who also believe in Cloud solutions and are keen to take Cloud based offerings forward. The Company has also recently collaborated with Workday and Oracle to holistically drive HR & payroll transformation for large enterprises.

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

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.

While this is not addressed and tracked directly today, indirectly it does get addressed. Ramco strategically focuses to promote use of its Cloud Solution to all its Clients across the globe. An increase in adoption of Cloud Solutions by the market has been observed over years. This does contribute in a positive manner towards global environmental concerns such as climate change and global warming, as it offers a more efficient alternative from a heat productive environment.

Business Responsibility Report (Contd.)

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

Potential environmental risks are identified by the Company from its operations. Necessary operational controls are established for mitigation of any such risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has not undertaken any new initiatives. However, our cloud-based solutions offer clean technology solutions to our clients, enabling our clients to be carbon neutral.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

No in this year.

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

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

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

None

Principle 7 (P7) - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

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

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

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

Confederation of Indian Industry (CII)

The National Association of Software and Services Companies (NASSCOM)

American Payroll Association (APA)

Global Payroll Association (GPA)

The American Chamber of Commerce in Singapore (AMCHAM SG)

Australia Membership Association (AMA)

Indo-Australian Chamber of Commerce (IACC)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

In an effort to drive advocacy globally and locally, we have been working with associations like NASSCOM/ CII by supporting their reforms.

Principle 8 (P8) - Businesses should support inclusive growth and equitable development.

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

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

Yes. FY 2020-21 witnessed the launch of an integrated facial and temperature recording technology-based Time & Attendance Software to help companies' better screen and protect their employees while recording Attendance. With an intent to embrace a touchless attendance system, in the year FY 2021-22 Ramco's innovations around building voice recognition capabilities helped us move closer to frictionless computing. A convenient and intelligent voice assistant embedded in Ramco's application helped users carry out their transactions by just chatting with the application.

All other initiatives around ensuring environmental sustainability, ecological balance, protection of flora and fauna etc., education, Driver Care and Tribal Welfare are achieved through the group's CSR initiatives.

Business Responsibility Report (Contd.)

- Are the programs/projects undertaken through in-house team/own foundation/external NGO/Government structures/ any other organization?

CSR initiatives were undertaken through an agency.

- Have you done any impact assessment of your initiative?
Impact assessment will be undertaken in due course.
- What is your Company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken.

The Company has been focusing on digital transformation for organizations. The Company has spent Rs.2.00 Mln. towards its CSR commitment. Please refer Annual Report on CSR - Annexure V to Board's Report.

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

With digital transformation becoming the need of the hour, Ramco has been enabling various global organizations understand the role of digital technology that is shifting from driving marginal efficiency to being a catalyst of innovation and disruption and is helping them embrace newer technologies offering improved efficiencies.

The pandemic has accelerated the adoption of the gig working model, with numerous jobs getting created in the gig blue-collar space. To enable this acceleration technologically, Ramco recently introduced an authentication feature wherein users can use their facial identity to login into Ramco's application. This provides 2-pronged benefits to both customers' IT team and their blue-collared workers. The feature enables the blue-collared workers (with no / very limited IT exposure) to be able to use Employee Self Service functions - just by showing their face they can navigate through the screens using their voice in their native language and perform business transactions (without touching the screen). This also eliminates the need to train the blue collared workers on the usage.

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

The Company while serving the needs of its customers, had taken into account the requirements of the customers and

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

- What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no customer complaints which will have any major business impact. Ramco provides product and implementation support to its Customers and Partners. It uses a ticket management tool to track and address all the technical issues raised related to product and/or implementation. By leveraging Artificial Intelligence driven Virtual Assistant which uses Deep Learning and Natural Language Processing to simplify day-to-day HR activities, the Company has also rolled out its Customer Bot – Ramco CHIA, to address customer queries.

- Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

Ramco deals in software products and all relevant product and technical information are made available to the Clients in a written proposal and/or included in the executed contracts.

- Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases have been filed by any stakeholder against the Company during the last five years in this regard.

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

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

FINANCIAL STATEMENTS STANDALONE

INDEPENDENT AUDITOR'S REPORT

To the Members of **RAMCO SYSTEMS LIMITED**

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Separate ("Standalone") Financial Statements drawn in accordance with the Indian Accounting Standards ("Standalone Financial Statements") of Ramco Systems Limited ("Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year ended on 31 March 2022 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the State of Affairs ("Financial Position") of the Company as at 31 March 2022, its Loss ("Financial Performance including Other Comprehensive Income"), Cash Flows and Changes in Equity for the year ended on 31 March 2022.

Basis for Opinion

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

Key Audit Matters

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

Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue

Trade Receivables

Trade receivables are amounts billed but not yet received. As on 31 March 2022, amount outstanding on this account is Rs. 692.95 Mn (PY: 1,175.38 Mn). Of this Rs. 217.44 Mn is receivable from eight wholly owned subsidiaries and Rs. 82.17 Mn is receivable from a subsidiary (that includes a step-down subsidiary) where the Company holds 98% of the Equity.

Unbilled License Revenue

Revenue recognition in the case of Licenses is on delivery of the software and when the customer obtains a right to use such license. The excess revenue over billing is classified as Unbilled License Revenue and grouped under Financial Assets. The amount outstanding as on 31 March 2022 is Rs. 316.86 Mn (PY: 394.66 Mn).

Unbilled Service Revenue

Revenue recognition in the case of services is based on percentage of completion method. The excess revenue over billing is classified as Unbilled Service Revenue and grouped under Other Assets. The amount outstanding as on 31 March 2022 is Rs. 317.77 Mn (PY: 342.81 Mn).

Auditor's Response

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

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

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

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

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

Independent Auditor's Report (Contd.)

in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.

Investment in Subsidiaries

The Company has various overseas subsidiaries. The carrying cost of the investment in these subsidiaries under equity as on 31 March 2022 is Rs. 3,678.59 Mn (PY: 3,672.60 Mn).

Auditor's Response

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

Intangible Assets

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

The carrying value of intangible assets is subjected to evaluation based on its existing functionality and its ability to generate revenue in future for the foreseeable period. The carrying cost of Product Software and Technology Platform as on 31 March 2022 is Rs. 2,812.05 Mn (PY: 2,572.14 Mn).

Auditor's Response

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

Our procedures focused on:

1. The functional classification of the product software and technology platform and their reasonableness; and
2. Evaluation of the appropriateness of the revenue forecasts and operating cash flows that could be generated based on the current functionality of the product software and technology platform, included in the business forecast for the foreseeable future.

3. Reviewing the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:
 - a) Comparing historical budget forecasts against actual results.
 - b) Comparing forecast growth to business plans approved by the Board.

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our audit report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

Independent Auditor's Report (Contd.)

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors, either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of Internal Financial Controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.

- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- i. Planning the scope of our audit work and in evaluating the results of our work; and
- ii. To evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements

Independent Auditor's Report (Contd.)

of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the Directors as on 31 March 2022 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2022 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f. We have enclosed our report in "Annexure B" with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note No. 29 in the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding whether recorded in writing or otherwise, that the Intermediary shall:
 - Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries"), or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries"), or
 - Provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and

Independent Auditor's Report (Contd.)

- (c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.
- v. There is no dividend declared or paid during the year by the Company and hence the requirement of compliance with Section 123 of the Act does not arise.
- h. With respect to the matter to be included in the Audit Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197

of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

K SRINIVASAN
Partner
Membership No.: 021510
UDIN: 22021510AJFRJI5895

Place: Chennai
Date: May 19, 2022

ANNEXURE A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Standalone Financial Statements of the Company for the year ended 31 March 2022)

We state the following after considering the information and explanations given to us by the Company and on the basis of examination of the records of the Company:

1. In respect of Company's Property, Plant and Equipment and Intangible Assets

1.1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments. The Company has also maintained proper records showing full particulars of Intangible assets.

1.2. The Property, Plant and Equipment were physically verified during the year by the Company in accordance with the phased programme of verification which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed during such verification.

1.3. The title deeds of immovable properties disclosed in the financial statements are held in the name of the Company (Other than the properties where the Company is a lessee, and the lease arrangements are duly executed in favour of the Company).

1.4. The Company has not revalued its Property, Plant and Equipment (including Right of use Assets) and/or intangibles during the year and accordingly the provisions of clause 3(i)(d) of the Order is not applicable to the Company.

1.5. The Company does not hold any benami property and no proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition Act), 1988 (45 of 1988) and rules made thereunder and accordingly the provisions of clause 3(i)(e) of the Order is not applicable to the Company.

2. Inventory and Working Capital

2.1. The Company does not carry any inventory and accordingly the provisions of Clause 3(ii)(a) of the Order is not applicable to the Company.

2.2 The Company has been sanctioned Working Capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

3. Investments made, Loans given, Advances in the nature of loans given and guarantees provided during the year

3.1 To Subsidiaries, Joint Ventures, Associates and Others

Particulars	Aggregate amount provided during the year (Rs. In Mn)	Balance Outstanding at the year end (Rs. In Mn)
Loans given to Subsidiaries, Unsecured	Nil	773.01
Guarantees provided to/on-behalf of Subsidiaries	Nil	777.57
Guarantees provided to others	13.29	14.14

3.2. The investments made, guarantees provided, security given and terms and conditions of grant of all loans and advances are not prejudicial to the Company's interest.

3.3 The loans given to subsidiaries and interest due thereon are repayable on demand and hence the schedule of repayment is not applicable. The repayments and receipts have been regular when demanded.

3.4. There has been no amount overdue for more than 90 days in respect of loans given.

3.5. No loan granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the existing loans given to the same parties.

3.6 The Company has granted loans repayable on demand as below

Particulars	Aggregate Amount provided during the year (Rs. in Mn)	Percentage to the Loans granted	Balance outstanding at the year end (Rs. in Mn)
Loans given to Subsidiaries, Unsecured	Nil	Not Applicable	773.01

4. The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.

5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

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

6. The Company is not required to maintain accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

7. Undisputed and Disputed Taxes and Duties

7.1. The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

7.2. The disputed statutory dues aggregating to Rs. 82.30 Mn. that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Amount in Mn
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Honorable High Court of Madras	75.86
The Maharashtra Value Added Tax, Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax, Mumbai	0.09
Finance Act, 1994	Service Tax	The Commissioner of Service Tax, Appeals, Chennai	1.21
Goods and Services Tax, 2017	Goods and Services Tax	The Additional / Joint Commissioner of GST & Central Excise, Adjudication, Chennai	5.14

8. There have been no transactions which were not previously recorded in the books of account, but have been surrendered or disclosed as income during the year in the tax assessments by the Company, under the Income Tax Act, 1961.

9. Default in respect of repayment of loans and interest during the year

9.1. The Company has not defaulted in repayment of dues to financial institutions, Banks, Government, Debenture holders or any other lender.

9.2. The Company has not been declared as a willful defaulter by any bank or financial institution or any other lender.

9.3. The Company has not obtained any term Loans during the year and accordingly the provisions of the clause 3(ix)(c) of the Order is not applicable to the Company.

9.4. Funds raised on short term basis by the Company were not utilised for long term purposes.

9.5. The Company has not taken any funds from any entity or person on account of or to meet the obligations of the subsidiaries, joint ventures or associates and accordingly the provisions of clause 3(ix)(e) of the Order is not applicable to the Company.

9.6. The Company has not raised any loans during the year on the pledge of securities held in subsidiaries, joint ventures, or associate companies and accordingly the provisions of clause 3(ix)(f) of the Order is not applicable to the Company.

10. Funds Raised

10.1 The Company has not raised any money by way of initial public offer or further public offer during the year. The Company has not raised term loans from Banks or Financial Institutions during the year. The Company has not issued any debentures during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

10.2. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(x)(b) of the Order is not applicable to the Company.

11. Fraud and Whistle Blower System

11.1. We report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11.2. No report under sub-section (12) of Section 143 of the Act, has been filed by the auditors in respect of the Company, in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

11.3 .The Company's management has not received any whistle blower complaints during the year.

12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the Company.

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

13. All the transactions with the related parties by the Company are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
14. The Company has an Internal Audit system commensurate with the size and nature of its business. The reports of the internal auditor have been taken into consideration.
15. The Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly, the provisions of clause 3(xv) of the Order is not applicable to the Company.
16. Registration
- 16.1. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi)(a) of the Order is not applicable to the Company.
- 16.2 The Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, the provisions of clause 3(xvi)(b) of the Order is not applicable to the Company.
- 16.3 The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly, the provisions of clause 3(xvi)(c) of the Order is not applicable to the Company.
- 16.4 The Group does not have any CIC as part of it and accordingly, the provisions of clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
18. There has been no resignation of statutory auditors of the Company during the year and accordingly the provisions of clause 3(xviii) of the Order is not applicable to the Company.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Variations in ratios over 25% on comparison with previous year has also been disclosed in the notes accompanying financial statements.
20. CSR Compliance
- 20.1. There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act and accordingly the provisions of clause 3(xx)(a) of the order is not applicable to the Company.
- 20.2. In respect of Ongoing projects, the Company has transferred CSR amount to a special account under section 135(6) of the Act, within the time prescribed under the Act.
21. None of the companies (other than Ramco Systems Limited, India) included in the Consolidated financial statements are incorporated in India, and hence the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Section 143(11) of the Act, is not applicable to them. Accordingly, the provisions of clause 3(xxi) of the Order is not applicable to the Company.

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

K SRINIVASAN
 Partner
 Membership No.: 021510
 UDIN: 22021510AJFRJI5895

Place: Chennai
 Date: May 19, 2022

ANNEXURE B to the Independent Auditor's Report

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

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('Act')

OPINION

We have audited the Internal Financial Controls over financial reporting of Ramco Systems Limited ("Company") as of March 31, 2022, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on 31 March 2022.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

MANAGEMENT'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") and the Standards on

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants
Firm Registration No.: 001208S

K SRINIVASAN

Partner
Membership No.: 021510
UDIN: 22021510AJFRJI5895

Place: Chennai
Date: May 19, 2022

BALANCE SHEET

AS AT MARCH 31, 2022

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
		Rs. Mln.	Rs. Mln.
ASSETS			
Non-current assets			
Property, plant and equipment	5	182.73	166.50
Right-of-use assets	6	406.34	484.22
Intangible assets	7	2,859.42	2,625.38
Investment in subsidiaries	8	3,678.59	3,672.60
Financial assets			
Investments	9.2	15.00	15.00
Other financial assets	9.4	214.20	389.24
Tax assets (net)		51.52	61.79
Other non-current assets	11	12.55	6.24
		7,420.35	7,420.97
Current assets			
Financial assets			
Loans	9.1	773.01	848.65
Trade receivables	9.3	692.95	1,175.39
Cash and cash equivalents	9.5	30.89	23.36
Other financial assets	9.4	278.32	240.90
Tax assets (net)		85.11	91.99
Other current assets	11	491.40	476.60
		2,351.68	2,856.89
Total assets		9,772.03	10,277.86
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	308.49	307.49
Other equity	13	7,939.72	8,456.71
Total equity		8,248.21	8,764.20
Liabilities			
Non-current liabilities			
Financial liabilities	14		
Lease liabilities	14.1	393.93	459.54
Trade payables	14.2		
Total outstanding dues of creditors other than micro and small enterprises		31.76	31.78
Deferred tax liabilities (net)	10	40.52	129.07
Provisions	15	66.32	62.93
Other non-current liabilities	16	18.34	8.95
		550.87	692.27
Current liabilities			
Financial liabilities	14		
Lease liabilities	14.1	66.81	67.98
Trade payables	14.2		
Total outstanding dues of micro and small enterprises		26.52	9.29
Total outstanding dues of creditors, other than micro and small enterprises		403.62	281.53
Other financial liabilities	14.3	20.69	33.62
Provisions	15	9.55	5.33
Liabilities for current tax		0.97	0.74
Other current liabilities	16	444.79	422.90
		972.95	821.39
Total liabilities		1,523.82	1,513.66
Total equity and liabilities		9,772.03	10,277.86
The accompanying policies and notes form an integral part of the financial statements			
Significant Accounting Policies, Judgments and Estimates	1-4		
Notes on Financial Statements	5-36		

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
		Rs. Mln.	Rs. Mln.
INCOME			
Revenue from operations	17	2,795.92	3,450.05
Finance income	18	102.28	92.59
Other income	19	1.88	0.94
Total income		2,900.08	3,543.58
EXPENSES			
Purchase of stock-in-trade		5.03	46.32
Changes in inventories of stock-in-trade		-	-
Employee benefits expense	20	1,591.15	1,317.36
Finance costs	21	46.81	75.91
Depreciation and amortization expense	22	698.63	629.52
Other expenses	23	1,142.08	662.10
Total expenses		3,483.70	2,731.21
Profit / (Loss) before tax		(583.62)	812.37
Income tax expense	10		
Current tax (includes MAT)		1.09	133.06
Deferred tax (includes MAT credit)		(85.00)	237.06
Total income tax expense		(83.91)	370.12
Profit / (Loss) for the year		(499.71)	442.25
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) of defined benefit obligations	20.1	(12.18)	4.69
Income tax on above item(s)	10	3.55	(1.37)
		(8.63)	3.32
(ii) Items that may be reclassified to profit or loss			
Effect of change in functional currency of foreign operations		(9.16)	4.46
Income tax on above item(s)		-	-
		(9.16)	4.46
Other comprehensive income for the year (i + ii)		(17.79)	7.78
Total comprehensive income for the year		(517.50)	450.03
Earnings per Equity Share of Rs.10 each			
Basic		(16.26)	14.43
Diluted		(16.26)	14.43
Weighted average equity shares used in computing earnings per share			
Basic		30,738,261	30,640,345
Diluted		30,738,261	30,640,345
The accompanying policies and notes form an integral part of the financial statements			
Significant Accounting Policies, Judgments and Estimates	1-4		
Notes on Financial Statements	5-36		

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

STATEMENT OF CHANGES IN OTHER EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

	Nos. in Min.	Rs. Min.
Balance as at April 01, 2020	30.60	306.39
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the previous reporting period	30.60	306.39
Changes in Equity Share Capital during FY 2020-21 (refer note no.12)	0.11	1.10
Balance as at March 31, 2021	30.71	307.49
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	30.71	307.49
Changes in Equity Share Capital during FY 2021-22 (refer note no.12)	0.10	1.00
Balance as at March 31, 2022	30.81	308.49

b. Other equity for the year ended March 31, 2022

Particulars	Share application money pending allotment		Reserves & Surplus		Items of OCI		Total other equity
	Securities premium	Employee stock options outstanding	Retained earnings	Currency translation reserve			
As at April 01, 2021	-	240.05	1,613.30	(30.30)	-	8,456.71	
Profit for the period	-	-	(499.71)	-	-	(499.71)	
Other comprehensive income (OCI) / (losses)	-	-	(8.63)	-	-	(8.63)	
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	(9.16)	-	(9.16)	
(b) Exchange difference on translation of foreign operations	-	-	1,104.96	(39.46)	-	7,939.21	
Total comprehensive income / (losses)	6,633.66	240.05	1,104.96	(39.46)	-	7,939.21	
Subscription to stock option schemes	-	-	-	-	-	-	
Issue of share capital	15.32	-	-	-	-	15.32	
Transfer on exercise of stock options	26.76	(26.76)	-	-	-	-	
Share based payments for options granted	-	(14.81)	-	-	-	(14.81)	
As at March 31, 2022	6,675.74	198.48	1,104.96	(39.46)	(39.46)	7,939.72	
Other equity for the year ended March 31, 2021	6,585.58	274.12	1,167.74	(34.76)	-	7,992.68	
As at April 01, 2020	-	-	442.25	-	-	442.25	
Profit for the period	-	-	3.31	-	-	3.31	
Other comprehensive income (OCI) / (losses)	-	-	-	4.46	-	4.46	
(a) Remeasurement gains/ (losses) of defined benefit obligations *	-	-	-	-	-	-	
(b) Exchange difference on translation of foreign operations	-	-	1,613.30	(30.30)	-	8,442.70	
Total comprehensive income / (losses)	6,585.58	274.12	1,613.30	(30.30)	-	8,442.70	
Subscription to stock option schemes	-	-	-	-	-	-	
Issue of share capital	18.15	-	-	-	-	18.15	
Transfer on exercise of stock options	29.93	(29.93)	-	-	-	-	
Share based payments for options granted	-	(4.14)	-	-	-	(4.14)	
As at March 31, 2021	6,633.66	240.05	1,613.30	(30.30)	(30.30)	8,456.71	

* In accordance with Ind AS, remeasurement gains / (losses) on defined benefit obligations recognized in OCI are not to be subsequently reclassified to profit or loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

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

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N EVIJAYA RAGHAVAN
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Rs. Min.	Rs. Min.
A. Cash flow from operating activities:		
Profit before tax	(583.62)	812.37
Adjustments for :		
Depreciation and impairment of property, plant and equipment (PPE)	68.42	64.69
Amortization and impairment of intangible assets	549.51	481.82
Leased assets - Depreciation, impairment and finance costs	125.43	133.32
Share based payment accrual / (reversal)	(14.81)	(4.14)
(Profit) / loss on sale of PPE (net)	0.68	0.71
Bad debts / provision for doubtful debts & advances, net	281.43	93.54
Remeasurement of defined benefit obligations	(12.18)	4.69
Effect of exchange difference on translation of deferred tax & fixed assets	0.04	-
Effect of change in foreign currency translation reserve	(9.16)	4.46
Unrealized exchange (gain) / loss	(29.21)	(1.87)
Finance and investment income	(82.49)	(89.06)
Finance costs	2.07	25.31
Operating profit before working capital / other changes	296.11	1,525.84
Adjustments for :		
Increase / (decrease) in provisions	7.61	(0.78)
Increase / (decrease) in trade and other payables	139.30	63.51
Increase / (decrease) in other current liabilities	18.35	106.95
(Increase) / decrease in trade and other receivables	327.23	(253.91)
Cash generated from operations	788.60	1,441.61
Income tax paid	0.17	-
Net cash flow from / (used in) operating activities (A)	788.77	1,441.61
B. Cash flow from investing activities:		
Addition to tangible / Intangible assets	(870.74)	(686.28)
Investment in subsidiaries (net) (refer note no. 8)	0.43	-
Proceeds from sale of PPE	1.82	1.01
Loans to subsidiaries (net)	75.64	200.03
Advance for issue of shares (refer note no. 8)	-	(6.42)
Short term fixed deposits placed with Banks	(0.02)	(0.09)
Interest income on loans and deposits	71.37	81.53
Net cash flow from / (used in) investing activities (B)	(721.50)	(410.22)
C. Cash flow from financing activities:		
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans	16.32	19.25
Proceeds from short term borrowings	623.03	1,611.69
Repayment of long term borrowings	-	(100.00)
Repayment of short term borrowings	(623.03)	(2,438.72)
Payment of lease liabilities	(114.32)	(115.17)
Finance income	11.12	7.52
Finance costs paid	(2.07)	(25.31)
Net cash flow from / (used in) financing activities (C)	(88.95)	(1,040.74)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Rs. Mln.	Rs. Mln.
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(21.68)	(9.35)
Effect of unrealized exchange (gain) / loss	29.21	1.87
Net cash generated / (used in) for the year	7.53	(7.48)
Cash and cash equivalents at the beginning of the year	23.36	30.84
Cash and cash equivalents as at the end of the year	30.89	23.36
Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings:		
Balance at the beginning of the year		
Long term borrowings	-	66.67
Short term borrowings	-	827.03
Current maturities of long term debt	-	33.33
Sub total	-	927.03
Cash flows during the year		
Movement in long term borrowings		
Proceeds	-	-
Repayment	-	(100.00)
Movement in short term borrowings		
Proceeds	623.03	1,611.69
Repayment	(623.03)	(2,438.72)
Interest and finance charges on loans	2.07	25.31
Interest and finance charges on loans paid	(2.07)	(25.31)
Sub total	-	(927.03)
Balance at the end of the year		
Long term borrowings	-	-
Short term borrowings	-	-
Current maturities of long term debt	-	-
Sub total	-	-
Reconciliation between the opening and closing balances of lease liabilities:		
Balance at the beginning of the year	527.52	594.05
Payment of lease liabilities	(114.32)	(115.17)
Non-cash movements	47.54	48.64
Balance at the end of the year	460.74	527.52

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

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

NOTES TO SEPARATE (STANDALONE) FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1. CORPORATE INFORMATION

Ramco Systems Limited (the “Company”) is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed in BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at No. 47, P.S.K Nagar, Rajapalayam 626108 and corporate office and R&D center is located at 64, Sardar Patel Road, Taramani, Chennai 600113.

The Company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like, Core ERP, Human Resource & Payroll, Aviation Maintenance Repair & Overhaul, Logistics, Service Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or hosted on cloud.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in its meeting held on May 19, 2022.

2. BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 (‘the Act’) (to the extent notified), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

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

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

2.2 Foreign currency transactions

The functional currency of the Company is Indian Rupee. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The monetary items denominated in the foreign currency at the year-end are translated at the exchange rates prevailing on the

date of the balance sheet and the loss or gain arising out of such transactions is adjusted in the Statement of Profit and Loss. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not reinstated at each balance sheet date.

2.3 Translation of financial statements of foreign branches

Functional currency of foreign branches is the respective local currency of domicile. All income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. All assets and liabilities are translated at the rate prevailing on the Balance Sheet date. Net gain / loss on foreign currency translation is recognized in Other Comprehensive Income.

2.4 An asset is treated as current when it is:

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

All other assets are classified as non-current.

2.5 A liability is current when:

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

All other liabilities are classified as non-current.

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

- 2.7 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.
- 2.8 The financial statements are presented in Indian Rupees rounded to the nearest million ("Mln.") with two decimals. Figures less than ten thousands are shown as nil.

3. ACCOUNTING POLICIES**3.1 Significant accounting policies****a. Fair value measurement**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

b. Revenue recognition

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

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

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

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

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

For performance obligations where control is transferred over time, revenues are recognized

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

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

(1) Revenue from Software Products

(a) Software Licensing

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.

(c) Product Support Services

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

(d) Application Maintenance Services

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

(e) Royalty income

Royalty income represents fees charged at arms-length basis on the revenue earned from external customers by the subsidiaries, by way of Software Licensing, Product Support Services, Subscription for Software as a Service

and Application Maintenance Service, in respect of Company's Software Products. Such royalty income is recognized at the point of time at which the subsidiaries recognize the said revenue.

(2) Revenue from Software Services

(a) Implementation / Professional Services

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

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

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

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

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

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

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

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

(b) Managed Services

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

(3) Revenue from Resale of Hardware & Software

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

Contract assets, liabilities and financing arrangements

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

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

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

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

c. Finance income

Interest on bank deposits is recognized on accrual basis.

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

d. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates as per the provisions of the Income tax Act, 1961 and other applicable tax laws. Current income tax payable by overseas branches of the Company if any is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income, and if not available, charged off in the profit and loss account.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognized as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

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

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

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

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

e. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

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

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

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

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

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Right-of-use assets

Leases

The Company has adopted Ind AS 116 “Leases” with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases & related interpretation & guidance. The Company has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019. The Company’s lease asset classes primarily consist of leases for land, buildings and office equipments.

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Company as a lessee

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

a) Right-of-use (“ROU”) assets

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

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

b) Lease liabilities

The Company recognizes lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized

as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

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

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying

amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

Software development costs

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

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

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

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

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

Patents

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

h. Borrowing costs

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

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

i. Inventories

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

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

j. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any

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

k. Provisions, contingent liabilities and contingent assets

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

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

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

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

I. Employee benefits expense

Short term employee benefits

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

Defined contribution plans

Superannuation

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

National pension system

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

Provident fund

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

Defined benefit plans

Gratuity

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

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

Leave encashment

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

m. Financial instruments

1. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
2. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.
3. The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Financial assets

4. Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
5. Depending on the business model (i.e.,) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
 - a) Amortized cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL).

Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

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

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

Investment in equity of subsidiaries are carried at cost. The Company has opted to use the previous GAAP carrying amount as cost, as at the date of transition

to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Names of financial assets
Amortized cost	Trade receivables, loans and advances, deposits, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity instrument in companies other than subsidiaries as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

7. Financial assets are de-recognized (i.e.,) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also de-recognizes when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
 - a) significant risk and rewards of the financial asset, or
 - b) control of the financial asset.

However, the Company continue to recognize the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

8. Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the Statement of Profit and Loss.
9. For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

Accordingly, the impairment testing is done on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the lifetime. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Financial liabilities

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

Measurement basis	Names of financial liabilities
Amortized cost	Borrowings, Trade payables, Interest accrued, Security deposits and Other financial liabilities not for trading.
FVTPL	Foreign exchange forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

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

n. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into cash.

o. Cash dividend

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

p. Cash flow statement

Cash flows are presented using indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q. Share based payments

Stock options granted to the option grantees in the Company / subsidiaries are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Graded vesting options

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

r. Earnings per share (EPS)

Net profit after tax is divided by the weighted average number of equity shares outstanding.

When an item of income or expense which is otherwise required to be recognized in the statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing Earnings Per Share.

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

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

s. Operating segments

The Company's business operation comprises of single operating segment viz., Software and related solutions. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

t. Assets held for sale

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

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Rules, 2022, which are applicable for annual reporting periods beginning on or after April 01, 2022. The details of amendments applicable to the Company and its impact are as below:

Ind AS 16 Property, Plant and Equipment

The amendment clarifies that 'excess of net sale proceeds of items produced over the cost of testing', if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

The amendment clarifies the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor and materials) or an allocation of other costs that relate directly to fulfilling the contracts (examples would be allocation of depreciation charge for an item of PPE used in fulfilling that contract).

The Company does not expect that, these amendments will have any significant impact in its financial statements.

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

4. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

The management has applied the following estimates / assumptions / judgment in preparation and presentation of financial statements:

Property, plant and equipment (PPE) and intangible assets

The residual values and estimated useful life of PPEs and Intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation / amortization / impairment.

Current taxes

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

Deferred tax asset (including MAT credit entitlement)

Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment of financial assets are done based on assumptions about risk of default and expected loss

rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

Impairment of non-financial assets (PPE / Intangible assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

Impairment of Investments in Subsidiaries / Associate

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

Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Share based payments

The Company initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

Revenue recognition

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

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

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

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

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

Leases

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

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

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

	Rs. Mln.							
Particulars	Building	Laptops and desktops	Servers and networks	Furniture and fixtures	Office equipments	Electrical items	Vehicles	Total
Gross carrying value								
As at April 01, 2020	3.12	152.28	149.10	26.08	64.37	15.27	36.01	446.23
Additions	-	43.89	11.97	0.07	1.32	0.10	6.00	63.35
Disposals	-	(0.05)	-	-	-	(0.10)	(4.44)	(4.59)
Exchange difference	-	0.01	-	-	-	-	-	0.01
As at March 31, 2021	3.12	196.13	161.07	26.15	65.69	15.27	37.57	505.00
Additions	-	56.33	24.37	0.38	0.33	0.02	5.76	87.19
Disposals	-	(0.22)	-	(0.44)	-	(0.05)	(5.10)	(5.81)
Exchange difference	-	-	-	-	-	-	-	-
As at March 31, 2022	3.12	252.24	185.44	26.09	66.02	15.24	38.23	586.38
Depreciation								
As at April 01, 2020	1.94	113.22	69.41	13.18	48.40	10.06	20.46	276.67
For the year	0.05	28.94	21.93	2.31	6.67	1.08	3.71	64.69
Disposals	-	(0.05)	-	-	-	(0.05)	(2.76)	(2.86)
Exchange difference	-	0.03	-	(0.01)	(0.02)	-	-	-
As at March 31, 2021	1.99	142.14	91.34	15.48	55.05	11.09	21.41	338.50
For the year	0.05	35.36	21.37	2.27	4.86	1.01	3.50	68.42
Disposals	-	(0.22)	-	(0.13)	-	(0.05)	(2.90)	(3.30)
Exchange difference	-	-	0.01	-	-	0.01	0.01	0.03
As at March 31, 2022	2.04	177.28	112.72	17.62	59.91	12.06	22.02	403.65
Carrying value								
As at March 31, 2021	1.13	53.99	69.73	10.67	10.64	4.18	16.16	166.50
As at March 31, 2022	1.08	74.96	72.72	8.47	6.11	3.18	16.21	182.73

6. RIGHT-OF-USE ASSETS

	Rs. Mln.			
Particulars	Building	Land	Office equipments	Total
Gross carrying value				
As at April 01, 2020	632.98	19.04	2.43	654.45
Additions	1.75	-	1.59	3.34
Disposals	(11.46)	-	-	(11.46)
Exchange difference	0.01	-	-	0.01
As at March 31, 2021	623.28	19.04	4.02	646.34
Additions	1.57	-	1.54	3.11
Disposals	(0.48)	-	-	(0.48)
Exchange difference	(0.02)	-	-	(0.02)
As at March 31, 2022	624.35	19.04	5.56	648.95
Depreciation				
As at April 01, 2020	79.16	4.77	1.62	85.55
For the year	76.57	4.76	1.68	83.01
Disposals	(6.44)	-	-	(6.44)
Exchange difference	-	-	-	-
As at March 31, 2021	149.29	9.53	3.30	162.12
For the year	74.34	4.77	1.59	80.70

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars				Rs. Mln.
	Building	Land	Office equipments	Total
Disposals	(0.18)	-	-	(0.18)
Exchange difference	(0.03)	-	-	(0.03)
As at March 31, 2022	223.42	14.30	4.89	242.61
Carrying value				
As at March 31, 2021	473.99	9.51	0.72	484.22
As at March 31, 2022	400.93	4.74	0.67	406.34

7. INTANGIBLE ASSETS

Particulars					Rs. Mln.
	Technology platform	Product software	Patents	Computer software	Total
Gross carrying value					
As at April 01, 2020	1,689.94	4,589.40	14.23	180.52	6,474.09
Additions	103.23	494.06	-	25.64	622.93
Deletions	-	-	-	-	-
As at March 31, 2021	1,793.17	5,083.46	14.23	206.16	7,097.02
Additions	120.99	607.44	-	55.12	783.55
Deletions	-	-	-	-	-
As at March 31, 2022	1,914.16	5,690.90	14.23	261.28	7,880.57
Amortization					
As at April 01, 2020	1,087.62	2,765.13	11.82	125.25	3,989.82
For the year	112.28	339.46	0.65	29.43	481.82
Impairment loss	-	-	-	-	-
As at March 31, 2021	1,199.90	3,104.59	12.47	154.68	4,471.64
For the year	115.84	368.57	0.57	60.42	545.40
Impairment loss	-	4.11	-	-	4.11
As at March 31, 2022	1,315.74	3,477.27	13.04	215.10	5,021.15
Carrying value					
As at March 31, 2021	593.27	1,978.87	1.76	51.48	2,625.38
As at March 31, 2022	598.42	2,213.63	1.19	46.18	2,859.42

- a) Financials of research and development activities (R&D), based on separate books of accounts maintained are separately enclosed.
- b) For the details of security to borrowings, refer note no.14.

8. INVESTMENT IN SUBSIDIARIES

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Equity investments in subsidiaries measured at cost, long term, trade, unquoted		
192,729,550 Shares in Ramco Systems Corporation, USA of paid-up value of USD 0.0145 each (as at March 31, 2021 192,729,550 Shares @ USD 0.0145 each)	743.41	743.41
1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (as at March 31, 2021 1,400,000 Shares CHF 1 each)	441.70	441.70
31,135,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at March 31, 2021 31,135,000 Shares @ SGD 1 each)	1,511.74	1,511.74

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

8. Investment in subsidiaries (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (as at March 31, 2021 1,280,000 Shares @ RM 1 each)	18.22	18.22
9,675,050 Shares in RSL Enterprise Solutions (Pty) Ltd., South Africa of face value of ZAR 1 each (as at March 31, 2021 19,350,100 Shares @ ZAR 1 each)	52.00	99.02
50 Shares in Ramco Systems FZ-LLC, Dubai of AED 1000 each (as at March 31, 2021 50 Shares @ AED 1000 each)	0.62	0.62
16,393,000 Shares in Ramco Systems Australia Pty Ltd., Australia, of AUD 1 each (as at March 31, 2021 16,393,000 Shares @ AUD 1 each)	795.24	795.24
100,000 Shares in R S L Software Co. Ltd., Sudan, of SDG 1 each (as at March 31, 2021 100,000 Shares @ SDG 1 each)	2.08	2.08
11,750,000 Shares in Ramco System Inc., Philippines of face value of PHP 1 each (as at March 31, 2021 11,750,000 Shares @ PHP 1 each)	17.44	17.44
1,000,000 Shares in Ramco Systems (Shanghai) Co. Ltd., Shanghai, of face value of CNY 1 each (as at March 31, 2021 1,000,000 Shares @ CNY 1 each)	10.41	10.41
7,945,900 Shares in Ramco System Vietnam Company Limited, Vietnam of face value of VND 1000 each (as at March 31, 2021 5,625,000 Shares @ VND 1000 each)	23.91	16.44
10,625,000 Shares in PT Ramco Systems Indonesia, Indonesia, of face value of IDR 1000 each (as at March 31, 2021 3,375,000 Shares @ IDR 1000 each)	55.40	16.28
9,500,000 Shares in Ramco Software Japan Limited, Japan, of face value of JPY 1 each (as at March 31, 2021 Nil)	6.42	-
Aggregate value of unquoted investments	3,678.59	3,672.60
Aggregate amount of impairment in value of investments	-	-

Note:

- a. Ramco Software Japan Limited has been established in Japan as a wholly owned subsidiary (WOS) of the Company on April 01, 2021. However, as per the local regulations in Japan, the share capital of JPY 9.50 Mln. Rs 6.42 Mln. was remitted on March 25, 2021 in advance, before incorporation. This amount has been disclosed as advance for issue of shares under note no. 9.4. Movement represents fresh equity contribution of Rs.6.42 Mln. (JPY 9.50 Mln.). (Previous year Nil).
- b. Movement in investment in RSL Enterprise Solutions (Pty) Ltd., South Africa represents buy back of 9,675,050 equity shares by that subsidiary at ZAR 1 each amounting to Rs 47.02 Mln. (ZAR 9.68 Mln.). There is no profit/loss arising out of this transaction in the books. (Previous year Nil).

9. FINANCIAL ASSETS

9.1 Loans

Current		
Unsecured, considered good		
Loans receivables - subsidiaries	773.01	848.65

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

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

The percentage of loans receivables from subsidiaries to the total outstanding is 100% during the current and previous year.

There are no loans or advances in the nature of loans, granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment, other than to the subsidiaries as disclosed above.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Rs. Mln.	Rs. Mln.
2,335 Shares in SmartMegh Solutions Private Limited, India of face value of Rs.10 each (as at March 31, 2021 2,335 Shares @ Rs.10 each)	15.00	15.00
Aggregate value of unquoted investment	15.00	15.00
Aggregate amount of impairment in value of investment	-	-

9.3 Trade receivables

Non-current		
Unsecured, considered good		
Trade receivables - other than related parties	-	-
Unsecured, considered doubtful		
Trade receivables - other than related parties	51.35	29.98
	51.35	29.98
Less: Allowance for impairment loss	51.35	29.98
	-	-
Current		
Unsecured, considered good		
Trade receivables - subsidiaries (refer note no.26)	299.61	692.03
Trade receivables - other related parties	14.59	-
Trade receivables - other than related parties	398.52	495.72
	712.72	1,187.75
Less: Allowance for impairment loss	19.77	12.36
	692.95	1,175.39

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note no.26.

Trade receivables - other than related parties are non-interest bearing and are normally on terms of 30 to 120 days, except the contracts which are entered with deferred credit terms.

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

Trade receivables ageing schedule

Particulars	As at March 31, 2022							Rs. Mln.
	Outstanding for following periods from due date of payment							Unbilled revenue (Note no. 9.4)
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
Non-current								
(i) Undisputed trade receivables – considered good	-	-	-	-	-	-	-	196.14
(ii) Undisputed trade receivables – considered doubtful	-	0.35	0.25	0.86	0.97	33.28	35.71	41.63
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	15.64	15.64	-
	-	0.35	0.25	0.86	0.97	48.92	51.35	237.77
Less: Allowance for impairment loss							51.35	42.32
							-	195.45

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

9.3 Trade receivables (Contd.)

Particulars	As at March 31, 2022							Rs. Mln.
	Outstanding for following periods from due date of payment							Unbilled revenue (Note no. 9.4)
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
Current								
(i) Undisputed trade receivables – considered good	495.85	60.29	20.50	113.94	12.78	9.36	712.72	274.55
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
	495.85	60.29	20.50	113.94	12.78	9.36	712.72	274.55
Less: Allowance for impairment loss							19.77	9.33
							692.95	265.22

Particulars	As at March 31, 2021							Rs. Mln.
	Outstanding for following periods from due date of payment							Unbilled revenue (Note no. 9.4)
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
Non-current								
(i) Undisputed trade receivables – considered good	-	-	-	-	-	-	-	366.02
(ii) Undisputed trade receivables – considered doubtful	-	-	0.03	-	1.47	12.84	14.34	19.18
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	15.64	15.64	-
	-	-	0.03	-	1.47	28.48	29.98	385.20
Less: Allowance for impairment loss							29.98	19.26
							-	365.94

Current								
(i) Undisputed trade receivables – considered good	911.43	195.42	19.23	25.30	25.39	10.98	1,187.75	227.03
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
	911.43	195.42	19.23	25.30	25.39	10.98	1,187.75	227.03
Less: Allowance for impairment loss							12.36	6.65
							1,175.39	220.38

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
9.4 Other financial assets

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Rs. Mln.	Rs. Mln.
Non-current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	131.23	286.22
Unbilled royalty revenue - subsidiaries (refer note no.26)	64.91	79.80
Security deposit	18.70	16.64
Employee advances	0.05	0.24
Advance for issue of shares (refer note no.8)	-	6.42
Unsecured, considered doubtful		
Unbilled license revenue - other than related parties	41.63	19.18
	256.52	408.50
Less: Allowance for impairment loss	42.32	19.26
	214.20	389.24
Current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	195.65	115.17
Unbilled royalty revenue - subsidiaries (refer note no.26)	78.90	111.86
Security deposit	1.40	4.59
Insurance claims receivable	-	8.00
Employee advances	8.52	4.77
Foreign currency forward contract	0.01	-
Bank deposits held as margin money	3.09	3.07
Balance with Banks in share issue accounts	0.08	0.09
	287.65	247.55
Less: Allowance for impairment loss	9.33	6.65
	278.32	240.90

9.5 Cash and cash equivalents

Cash on hand	0.07	0.26
Balances with Banks in Current Account	30.82	23.10
	30.89	23.36

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

10. TAXES

(a) Deferred tax (asset) / liability

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	794.69	734.44	60.25	34.70
Tax impact on unutilized carry forward losses	(357.67)	(295.86)	(61.81)	216.35
Tax effect of provision for gratuity	(6.02)	(4.42)	(1.60)	0.11
Tax effect of provision for compensated absences	(20.53)	(19.65)	(0.88)	(1.65)
Tax effect of provision for bad and doubtful debts / advances	(60.50)	(39.20)	(21.30)	6.99
Tax impact on all other items	(68.09)	(8.43)	(59.66)	(4.43)
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	4.45	8.00	(3.55)	1.37
Deferred tax (asset) / liability (net)	286.33	374.88		
Deferred tax (income) / expense (net)			(88.55)	253.44

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

Particulars	Balance sheet as at	
	March 31, 2022	March 31, 2021
i) Deferred tax (asset) / liability		
Opening balance	374.88	121.44
Deferred tax (income) / expense during the year recognized in Statement of Profit and Loss	(85.00)	252.07
Deferred tax (income) / expense during the year recognized in OCI	(3.55)	1.37
Closing balance	286.33	374.88
ii) MAT credit		
Opening balance	(683.61)	(550.55)
MAT credit for the current / previous year(s)	-	(133.06)
Closing balance	(683.61)	(683.61)
iii) Provision for MAT credit *		
Opening balance	437.80	319.75
Provision for the current / previous year(s)	-	118.05
Closing balance	437.80	437.80
Total deferred tax (asset) / liability (i + ii + iii)	40.52	129.07

* represents provision for MAT credit created by the utilization of foreign WHT for the discharge of MAT liability, which is denied by virtue of insertion of proviso to sub section 2A of section 115JAA of the Income Tax Act, 1961. The Company had filed a Writ petition challenging the said proviso in the Honorable High Court of Madras. The Company will continue to make provision for such MAT credit availed, until disposal of the case.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

10. Taxes (Contd.)

(c) Components of tax expenses

Particulars	Rs. Mln.	
	For the year ended	
	March 31, 2022	March 31, 2021
i) Statement of profit and loss		
Current tax		
Current Income Tax charge (including MAT)	1.09	133.06
Deferred tax		
Relating to the origination and reversal of temporary differences	(85.00)	252.07
MAT credit for the current / previous year(s)	-	(133.06)
Provision for MAT credit (refer note no.10(b)(iii) above)	-	118.05
Total tax (income) / expenses reported in statement of profit and loss	(83.91)	370.12
ii) Other comprehensive income (OCI)		
Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	(3.55)	1.37
Total tax (income) / expense (net)	(3.55)	1.37
iii) Total tax (income) / expense reported in the total comprehensive income	(87.46)	371.49

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarized below:

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
	Rs. Mln.	Rs. Mln.
Accounting profit before tax	(583.62)	812.37
Less: Adjustment from carry forward losses	(583.62)	812.37
Corporate tax rate %	29.12%	29.12%
Computed tax expense	-	-
Increase / (reduction) in taxes on account of:		
MAT on above mentioned accounting profit before tax	-	141.94
Tax adjustments of earlier years	-	0.43
Non-deductible expenses	-	18.60
Branch tax for which no credit availed	1.09	-
Additional allowances / deductions for tax purposes	-	(27.91)
	1.09	133.06
Deferred tax income / (expense) recognition during the year	(85.00)	252.07
MAT credit for the current / previous year(s)	-	(133.06)
Provision for MAT credit (refer note no.10(b)(iii) above)	-	118.05
Tax (income) / expense reported in the statement of profit and loss	(83.91)	370.12
Tax (income) / expense reported in the other comprehensive income	(3.55)	1.37

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

11. OTHER ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Non-current		
Unsecured, considered good		
Prepaid expenses	3.44	0.25
Advance to suppliers and service providers #	68.00	33.10
Unbilled services revenue	2.07	2.89
Unsecured, considered doubtful		
Unbilled services revenue	11.00	30.38
	84.51	66.62
Less: Allowance for impairment loss	71.96	60.38
	12.55	6.24
Current		
Unsecured, considered good		
Prepaid expenses	61.84	40.31
Advance to suppliers and service providers *#	8.60	66.13
Unbilled services revenue	329.70	345.89
Statutory advances	104.30	30.24
	504.44	482.57
Less: Allowance for impairment loss	13.04	5.97
	491.40	476.60

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

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

12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Authorized share capital		
50,000,000 (as at March 31, 2021 - 50,000,000) Equity Shares of Rs.10 each	500.00	500.00
Issued and subscribed capital		
31,163,099 (as at March 31, 2021 - 31,063,260) Equity Shares of Rs.10 each	311.63	310.63
Paid-up capital		
30,813,921 (as at March 31, 2021 - 30,714,082) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs. 353,890 (previous year Rs. 353,890) for 349,178 shares)	308.49	307.49
	308.49	307.49

12.1 The reconciliation of share capital

Particulars	FY 2021-22		FY 2020-21	
	No. of shares	Rs. Mln.	No. of shares	Rs. Mln.
At the beginning of the year	30,714,082	307.49	30,603,181	306.39
Addition during the year under employee stock option schemes	99,839	1.00	110,901	1.10
At the end of the year	30,813,921	308.49	30,714,082	307.49

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

12.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of Rs.10 each. The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3 Shareholders holding more than 5 percent in the shares of the Company

Name of the Share Holder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Mr. P R Venketrama Raja	3,353,366	10.88	3,353,366	10.92
Ramco Industries Limited	5,467,376	17.74	5,467,376	17.80
The Ramco Cements Limited	5,417,810	17.58	5,417,810	17.64
HDFC Trustee Company Limited - HDFC Equity Fund & A/C	2,161,070	7.01	2,453,360	7.99
HDFC Balanced Advantage Fund				

12.4 Other details

Number of non-resident shareholders	675	567
Number of shares held by the non-resident shareholders	521,383	530,524
Dividend remitted in foreign currency	Nil	Nil

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

The Company has formulated various employee Stock Option Schemes, and the summary of pending is provided below:

Name of Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2022		As at March 31, 2021	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2008	51	28,023	1.43	30,883	1.58
	119	-	-	10,492	1.25
	83	431	0.04	431	0.04
	230	11,540	2.65	16,785	3.86
	194	17,835	3.46	17,835	3.46
ESOS 2009 - Plan A	90	13,917	1.25	16,415	1.48
	110	9,440	1.04	9,440	1.04
	356	73,625	26.21	78,625	27.99
ESOS 2009 - Plan B	90	40,332	3.63	44,137	3.97
	10	22,375	0.22	22,375	0.22
	356	51,093	18.19	59,593	21.22
ESOS 2013	356	49,597	17.66	56,597	20.15
	155	136,215	21.11	186,899	28.97
	10	6,809	0.07	9,309	0.09
	482	31,941	15.40	32,125	15.48
	250	9,250	2.31	10,000	2.50
	426	2,500	1.07	2,500	1.07
	462	5,000	2.31	5,000	2.31
	348	-	-	3,500	1.22
	696	-	-	3,500	2.44
	340	13,000	4.42	18,000	6.12
	679	17,500	11.88	17,500	11.88
	307	2,250	0.69	2,250	0.69
	613	1,875	1.15	6,875	4.21

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Name of Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2022		As at March 31, 2021	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2014	1,066	6,250	6.66	11,250	11.99
	533	12,500	6.66	12,500	6.66
	399	5,000	2.00	5,000	2.00
	797	2,500	1.99	2,500	1.99
	345	5,000	1.73	5,000	1.73
	690	2,500	1.73	2,500	1.73
	10	50,335	0.50	64,051	0.64
	351	-	-	4,000	1.40
	377	6,775	2.55	6,775	2.55
	443	-	-	1,250	0.54
	513	1,250	0.64	1,250	0.64
	701	-	-	2,000	1.40
	753	5,250	3.95	5,250	3.95
	184	5,000	0.92	5,000	0.92
	193	10,000	1.93	10,000	1.93
	214	-	-	2,500	0.54
	228	17,500	3.98	17,500	3.99
	277	7,376	2.04	9,498	2.63
	367	2,500	0.92	2,500	0.92
	385	5,000	1.93	5,000	1.93
	427	1,250	0.53	1,250	0.53
	455	8,750	3.97	8,750	3.98
	553	6,250	3.46	6,250	3.46
	163	5,000	0.82	15,000	2.44
	186	2,500	0.47	15,000	2.79
	326	2,500	0.82	7,500	2.45
	372	1,250	0.47	7,500	2.79
	181	5,000	0.91	5,000	0.90
	361	2,500	0.90	2,500	0.90
	290	5,000	1.45	5,000	1.45
	580	2,500	1.45	2,500	1.46
Total		731,784	191.57	912,640	236.47

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)
12.6 Shares held by promoters (including promoter group)

Sl. No.	Name	As at March 31, 2022		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	10.88	(0.04)
2	Mrs. R Sudarsanam	290,615	0.94	-
3	Mrs. S Saradha Deepa	237,576	0.77	-
4	Mrs. R Nalina Ramalakshmi	322,649	1.05	-
5	Mrs. P V Nirmala	17,902	0.06	-
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-
7	Mrs. B Srisandhya Raju	110,670	0.36	-
8	Mrs. R Chittammal	77,060	0.25	-
9	The Ramco Cements Limited	5,417,810	17.58	(0.06)
10	Ramco Industries Limited	5,467,376	17.74	(0.06)
11	Rajapalayam Mills Limited	733,531	2.38	(0.01)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.84	(0.01)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	0.01	-
16	Ramco Management Private Limited	300	-	-
	Total	16,724,849	54.28	(0.17)

Sl. No.	Name	As at March 31, 2021		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	10.92	(0.04)
2	Mrs. R Sudarsanam	290,615	0.95	-
3	Mrs. S Saradha Deepa	237,576	0.77	(0.06)
4	Mrs. R Nalina Ramalakshmi	322,649	1.05	-
5	Mrs. P V Nirmala	17,902	0.06	-
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-
7	Mrs. B Srisandhya Raju	110,670	0.36	-
8	Mrs. R Chittammal	77,060	0.25	-
9	The Ramco Cements Limited	5,417,810	17.64	(0.06)
10	Ramco Industries Limited	5,467,376	17.80	(0.07)
11	Rajapalayam Mills Limited	733,531	2.39	(0.01)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.85	(0.01)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	-	-
16	Ramco Management Private Limited	300	-	-
	Total	16,724,849	54.45	(0.25)

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

13. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Securities premium	6,675.74	6,633.66
Currency translation reserve	(39.46)	(30.30)
Employee stock options outstanding	198.48	240.05
Retained earnings	1,104.96	1,613.30
	7,939.72	8,456.71

Refer statement of changes in equity for movement.

Nature and purpose of reserves

Securities premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued, to the extent they are exercised.

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e., Currency Units) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operation.

Employee stock options outstanding

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

Retained earnings

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

14. FINANCIAL LIABILITIES

Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Borrowings / loans repayable on demand from Banks, secured	Nil	Nil

1. Security details

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

2. Interest rate

The interest rates on the borrowings during the year from Banks were in the form of Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WC DL) and Cash Credit, ranged from 0.50% p.a. to 7.66% p.a. (previous year 1.44% p.a. to 8.40% p.a.).

3. With respect to the borrowings from banks, on the basis of security of current assets, the quarterly returns / statements of current assets filed by the Company with banks are in agreement with the books of accounts.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**14.1 Leases**

The Company has adopted Ind AS 116 “Leases” with the date of initial application being April 01, 2019, using the modified retrospective approach. The Company has lease contracts for various items of Building, Land and Office equipments used in its operations. There are several lease contracts that include extension and termination options and variable lease payments.

Disclosures in respect of Leases are given below:

a) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2022 are as follows:

Particulars	Rs. Mn.			
	Building	Land	Office equipments	Total
As at April 01, 2021	473.99	9.51	0.72	484.22
Additions during the year	1.57	-	1.54	3.11
Deletions during the year - net	(0.30)	-	-	(0.30)
Depreciation charge for the year	(74.34)	(4.77)	(1.59)	(80.70)
Foreign exchange	0.01	-	-	0.01
As at March 31, 2022	400.93	4.74	0.67	406.34

b) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2021 are as follows:

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

c) The movement in lease liabilities during the year ended March 31, 2022 are as follows:

Particulars	Rs. Mn.			
	Building	Land	Office equipments	Total
As at April 01, 2021	515.58	11.25	0.69	527.52
Additions during the year	1.57	-	1.54	3.11
Deletions during the year	(0.30)	-	-	(0.30)
Interest expense	43.90	0.80	0.03	44.73
Lease payments	(106.63)	(6.11)	(1.60)	(114.34)
Foreign exchange	0.02	-	-	0.02
As at March 31, 2022	454.14	5.94	0.66	460.74

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

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

14.1 Leases (Contd.)

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

Particulars	Rs. Mln.	
	As at March 31, 2022	As at March 31, 2021
Current	66.81	67.98
Non-current	393.93	459.54
	460.74	527.52

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

Particulars	Rs. Mln.	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets	80.70	83.01
Interest expense on lease liabilities	44.73	50.60
Expense relating to short term leases (included in Other expenses)	4.01	1.43
Expense relating to leases of low-value assets (included in Other expenses)	-	-
Variable lease payments (included in Other expenses)	-	0.08
Rent concessions	(4.16)	(0.72)
(Gain) / loss on lease termination	(0.01)	(0.29)
Total amount recognized in profit or loss	125.27	134.11

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

f) The Company had total cash outflows (lease payments for ROU, variable lease, short term lease, net of rent concessions) for leases during the year ended March 31, 2022 of Rs. 114.19 Mln. (previous year Rs. 115.97 Mln.).

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

Particulars	Rs. Mln.	
	As at March 31, 2022	As at March 31, 2021
Less than 1 year	105.27	112.55
1 to 5 years	436.13	461.49
More than 5 years	66.55	145.35
	607.95	719.39

14.2 Trade payables

Particulars	Rs. Mln.	
	As at March 31, 2022	As at March 31, 2021
Non-current		
Total outstanding dues of creditors, other than micro and small enterprises	31.76	31.78
	31.76	31.78
Current		
Total outstanding dues of micro and small enterprises	26.52	9.29
	26.52	9.29
Total outstanding dues of creditors, other than micro and small enterprises		
Trade payables - subsidiaries (refer note no.26)	92.97	74.28
Trade payables - other related parties (refer note no.26)	7.09	-
Trade payables - others	303.56	207.25
	403.62	281.53

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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

14.2 Trade payables (Contd.)

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006 ("MSME")	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.		Rs. Mln.	
	Principal	Interest	Principal	Interest
Amount due	26.52	-	9.29	-
Principal amount paid (includes unpaid) beyond the appointed date	NA	-	NA	-
Interest due and payable for the year	NA	-	NA	-
Interest accrued and remaining unpaid (includes interest disallowable of Nil (Previous year Nil))	NA	-	NA	-
Interest disallowable under section 23 of the MSME Act, 2006.	NA	-	NA	-

Trade payables ageing schedule

Particulars	As at March 31, 2022						Rs. Mln.
	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Non-current							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	31.76	-	-	-	-	-	31.76
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	31.76	-	-	-	-	-	31.76
Current							
(i) MSME	-	26.33	0.19	-	-	-	26.52
(ii) Others	201.12	134.60	67.90	-	-	-	403.62
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	201.12	160.93	68.09	-	-	-	430.14

Particulars	As at March 31, 2021						Rs. Mln.
	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Non-current							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	31.78	-	-	-	-	-	31.78
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	31.78	-	-	-	-	-	31.78
Current							
(i) MSME	-	9.29	-	-	-	-	9.29
(ii) Others	162.31	91.63	27.59	-	-	-	281.53
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	162.31	100.92	27.59	-	-	-	290.82

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

14.3 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Current		
Capital creditors	17.64	30.78
Rental advances	0.30	0.30
Foreign currency forward contract	0.21	-
Employee welfare payables	2.54	2.54
	20.69	33.62

15. PROVISIONS

Non-current		
Provision for gratuity (refer note no.20.1)	0.72	0.75
Provision for leave encashment and other retirals (refer note no.15.1)	65.60	62.18
	66.32	62.93
Current		
Provision for gratuity (refer note no.20.1)	4.65	0.04
Provision for leave encashment and other retirals (refer note no.15.1)	4.90	5.29
	9.55	5.33

15.1 The Company provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

Liability carried in the Balance Sheet:		
Leave encashment provision as per actuarial valuation	62.02	58.49
Leave encashment fixed commitment	8.41	8.87
Leave encashment provision by overseas branches	0.07	0.11
	70.50	67.47

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

Opening balance	58.49	49.81
Current service cost	5.49	4.84
Interest cost	3.58	3.08
Actuarial (gains) / losses	4.00	5.39
Benefits paid	(9.54)	(4.63)
Closing balance	62.02	58.49

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**15.1 Compensated absences (Contd.)**

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

Particulars	Rs. Mln.	
	Year ended March 31, 2022	Year ended March 31, 2021
Costs accrued as per actuarial valuation	13.07	13.31
Costs accrued by overseas branches - net of reversals	(0.01)	(2.55)
	13.06	10.76
The movement in the P&L as per actuary is given below:		
Current service cost	5.49	4.84
Interest on obligation	3.58	3.08
Net actuarial (gains) / losses	4.00	5.39
Net cost recognized	13.07	13.31

16. OTHER LIABILITIES

Particulars	As at	
	March 31, 2022	March 31, 2021
	Rs. Mln.	Rs. Mln.
Non-current		
Unearned revenue	9.96	2.40
Advance from customers - others	8.38	6.55
	18.34	8.95
Current		
Unearned revenue	164.94	193.02
Statutory dues payable	60.69	44.52
Expenses payable	74.92	100.43
Contract obligation	122.27	82.00
Advance from customers - Related parties	20.63	-
Advance from customers - others	1.34	2.93
	444.79	422.90

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

17. REVENUE FROM OPERATIONS - DISAGGREGATED**17.1 Product wise revenue**

Particulars	Year ended	
	March 31, 2022	March 31, 2021
	Rs. Mln.	Rs. Mln.
Revenue from software products	1,198.67	1,656.03
Revenue from software services	1,588.90	1,712.10
Revenue from resale of software and hardware materials	8.35	81.92
	2,795.92	3,450.05

17.2 Geography wise revenue

Americas	392.12	398.16
Europe	272.62	321.59
APAC	623.98	1,016.48
India	1,173.63	1,456.51
Middle East and Africa	333.57	257.31
	2,795.92	3,450.05

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

17.3 Business unit wise revenue

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
ERP	1,127.16	1,634.46
HRP	954.74	1,014.39
Aviation	714.02	801.20
	2,795.92	3,450.05

17.4 Ind AS 115 - revenue from contract with customers

The Company derives revenue from Software Solutions & Services. The accounting policies are mentioned in note no.3.1.b.

Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by various factors including termination, changes in scope of contracts, adjustments for revenue that are not materialized and adjustments for currency. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the following:

- a) the remaining performance obligations for contracts where revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date including time and material, support service and subscription contracts and
- b) the remaining performance obligations in respect of other contracts, since those performance obligations have an original expected duration of one year or less in most of the cases.

During the year ended March 31, 2022, the Company recognized revenue of Rs.177.10 Mln. (previous year Rs.134.89 Mln.) arising from opening unearned revenue of Rs.195.42 Mln. (previous year Rs.157.78 Mln.) as at April 01, 2021.

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

Contract Price	2,796.54	3,463.33
Reduction towards implied financing component	(0.62)	(13.28)
Revenue recognized	2,795.92	3,450.05

18. FINANCE INCOME

Interest income - loan to subsidiaries (refer note no.26)	71.01	81.43
Interest income - other than related parties	31.27	11.16
	102.28	92.59

19. OTHER INCOME

Profit on sale of property, plant and equipments	0.03	0.35
Gain on termination of leased assets	0.01	0.29
Other income	1.84	0.30
	1.88	0.94

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

20. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
Salaries, wages and bonus	1,469.05	1,207.75
Share based payments	(14.81)	(4.14)
Contribution to provident and other funds	72.45	63.53
Gratuity and other retirals (refer note no.20.1)	42.39	32.96
Staff welfare	22.07	17.26
	1,591.15	1,317.36

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

Defined contributions by the employer:

Provident fund, EDLI, ESI maintained by the Government	72.45	63.53
Superannuation fund	15.54	14.55
National pension system	3.73	3.44
Other pension schemes by overseas branches	0.65	0.42

Defined benefit plan contributions by the employer:

Gratuity fund, including adjustments based on actuarial valuation	22.25	20.91
Gratuity commitment by overseas branches	0.22	(6.36)

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

Current service cost	23.68	22.33
Interest on obligation	13.37	12.38
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	(14.80)	(13.80)
Net cost recognized in the statement of profit and loss	22.25	20.91
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	(0.55)	(1.87)
Actuarial (gains) / losses	12.73	(2.82)
Net (gain) / loss recognized in the other comprehensive income	12.18	(4.69)

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

Opening defined benefit obligation	214.19	198.64
Current service cost	23.68	22.33
Interest cost	13.37	12.38
Actuarial (gains) / losses	12.73	(2.82)
Benefits paid	(26.85)	(16.34)
Closing defined benefit obligation	237.12	214.19

Movements in the present value of the plan assets in the current and previous year were as follows:

Opening fair value of plan assets	227.26	213.09
Expected return on plan assets	14.80	13.80
Actuarial (gains) / losses	0.55	1.87
Contributions from the employer	16.73	14.84
Benefits paid	(26.85)	(16.34)
Closing fair value of plan assets	232.49	227.26

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

20.1 As per Ind AS 19, the disclosures pertaining to employee benefits (Contd.)

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
Present value of funded defined benefit obligation	237.12	214.19
Less: Fair value of plan assets	232.49	227.26
Present value of funded defined benefit obligations / (asset)	4.63	(13.07)
Gratuity liability maintained by overseas branches	0.74	0.79
Investment details:		
Funds with LIC	232.49	227.26

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Discount rate	6.88%	6.66%
Future salary increase	8.00%	8.00%

A quantitative sensitivity analysis for significant assumptions are below:

Particulars	For the year ended March 31, 2022			
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(11.42)	12.30	12.35	(11.58)

Particulars	For the year ended March 31, 2021			
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(10.67)	11.51	11.53	(10.80)

The sensitivity analysis given above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected benefit payouts to the defined benefit plan in future years:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
Within the next 12 months (next annual reporting period)	7.51	6.89
1 - 2 years	13.45	12.10
2 - 3 years	15.29	11.03
3 - 4 years	14.39	14.30
4 - 5 years	16.28	11.15
Beyond 5 years	118.25	101.40
Total expected payments	185.17	156.87

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

21. FINANCE COSTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
Interest on loans	1.12	24.25
Interest on leased assets	44.73	50.60
Interest others	0.29	0.03
Other finance cost on loans	0.67	1.03
	46.81	75.91

22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	68.42	64.69
Depreciation on leased assets	80.70	83.01
Amortization of intangible assets	545.40	481.82
Impairment of intangible assets	4.11	-
	698.63	629.52

23. OTHER EXPENSES

Advertisement and sales promotion	73.66	55.60
Bank charges	2.08	3.23
Bad debts / provision for doubtful debts & advances, net	281.43	93.54
Consultancy charges	52.65	21.87
Corporate social responsibility expenditure	14.43	14.45
Foreign exchange fluctuation, net	(45.02)	(52.38)
Insurance	14.34	8.80
Loss on sale of property, plant and equipment	0.71	1.06
Office maintenance	15.29	24.04
Outsourcing costs	238.97	162.42
Power & fuel	18.03	16.65
Printing & stationery	1.26	0.72
Postage, telephone and communication	40.96	59.13
Rent	116.85	111.51
Repairs - building	3.39	0.14
Repairs - plant and machinery	78.31	54.43
Repairs - others	10.52	9.78
Rates and taxes	89.40	13.77
Sales commission and other selling expenses	19.59	9.02
Software subscription and maintenance	8.48	7.63
Travelling and conveyance	39.50	6.75
Miscellaneous expenses	67.25	39.94
	1,142.08	662.10

23.1 Movement in provision for doubtful debts & advances

Particulars	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
Balance at the beginning	134.60	158.61
Provisions for the year	281.43	93.54
Translation differences	0.20	(0.33)
Provision utilized for write off	(208.47)	(117.22)
Balance at the end	207.76	134.60

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

23.1 Movement in provision for doubtful debts & advances (Contd.)

Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
Provisions for the year	281.43	93.54
Provision utilized for write off reversed to P&L	(208.47)	(117.22)
Amounts written off	208.47	117.22
Bad debts / provision for doubtful debts & advances, net	281.43	93.54

23.2. Fees paid to Statutory Auditors (excluding GST)

Statutory Audit	1.80	1.80
Company Law matters	0.03	0.03
Other Certifications	0.33	0.13
	2.16	1.96

24. OTHER DISCLOSURES

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency.
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (c) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilization of borrowed funds & share premium
 - iii. Discrepancy in utilization of borrowings
 - iv. Current maturity of long term borrowings
- (e) Registration of charges or satisfaction with Registrar of Companies to be filed beyond the statutory period.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years, on CSR activities. Details of CSR activities are given below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Rs. Mln.	Rs. Mln.
1) Amount required to be spent during the year	14.43	14.45
2) Amount of expenditure incurred on:		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	2.00	14.45
3) Shortfall at the end of the year *	12.43	-
4) Total of previous years' shortfall	-	-
5) Reason for shortfall	Pertains to ongoing projects	NA
6) Nature of CSR activities	Environmental sustainability etc., as specified in Clause iv to Schedule VII of the Companies Act, 2013	Promoting education etc., as specified in Clause ii to Schedule VII of the Companies Act, 2013
7) Details of related party transactions	-	14.45

* The unspent amount of Rs.12.43 Mln. has since been transferred to the Unspent CSR account with Axis Bank Limited within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**26. RELATED PARTY TRANSACTIONS**

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Subsidiary companies

1.	Ramco Systems Corporation, USA	9.	Ramco Systems Australia Pty Ltd., Australia
2.	Ramco Systems Ltd., Switzerland	10.	Ramco System Inc., Philippines
3.	Ramco Systems Pte. Ltd., Singapore	11.	Ramco Systems (Shanghai) Co. Ltd., China
4.	Ramco Systems Sdn. Bhd., Malaysia	12.	Ramco System Vietnam Company Limited, Vietnam
5.	RSL Enterprise Solutions (Pty) Ltd., South Africa	13.	PT Ramco Systems Indonesia, Indonesia
6.	Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	14.	Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)
7.	Ramco Systems FZ-LLC, Dubai	15.	Ramco Systems Defense and Security Incorporated, USA
8.	R S L Software Co. Ltd., Sudan	16.	Ramco Software Japan Limited, Japan

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

1.	Mr. P R Venketrama Raja, Chairman
2.	Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director
3.	Mr. Virender Aggarwal, Chief Executive Officer (till the date of his cessation)
4.	Mr. R Ravi Kula Chandran, Chief Financial Officer
5.	Mr. N E Vijaya Raghavan, Company Secretary
6.	Mr. M M Venkatachalam, Independent Director
7.	Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
8.	Mr. R S Agarwal, Independent Director
9.	Mrs. Soundara Kumar, Independent Director
10.	Mr. Sankar Krishnan, Non-Independent Director
11.	Justice Mr. P P S Janarthana Raja (Retd.), Independent Director

c. Relatives of KMP

1.	Mr. P R Venketrama Raja, Father of Mr. P V Abinav Ramasubramaniam Raja
2.	Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja
3.	Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam Raja
4.	Mrs. R Sudarsanam, Mother of Mr. P R Venketrama Raja
5.	Mrs. S Saradha Deepa, Sister of Mr. P R Venketrama Raja
6.	Mrs. R Nalina Ramalakshmi, Sister of Mr. P R Venketrama Raja

d. Enterprises over which KMP / relatives of KMP exercise significant influence

1.	Rajapalayam Mills Limited	18.	JKR Enterprises Limited
2.	The Ramco Cements Limited	19.	Gowrishankar Screws
3.	Ramco Industries Limited	20.	P A C R Sethurammam Charity Trust
4.	The Ramaraju Surgical Cotton Mills Limited	21.	P A C R Sethurammam Charities
5.	Sri Vishnu Shankar Mills Limited	22.	Rajapalayam Spinners Limited
6.	Sandhya Spinning Mill Limited	23.	Ramco Industrial and Technology Services Limited
7.	Thanjavur Spinning Mill Limited	24.	Madurai Trans Carrier Limited
8.	Sri Harini Textiles Limited	25.	Ramco Welfare Trust
9.	Swarna Boomi Estate	26.	Lynks Logistics Limited
10.	Thanga Vilas Estate	27.	Ramco Management Private Limited
11.	Rajapalayam Textile Limited	28.	Raja Charity Trust
12.	Shri Harini Media Limited	29.	P A C Ramasamy Raja Centenary Trust
13.	Sudarsanam Estate	30.	P A C Ramasamy Raja Education Charity Trust
14.	Shri Abhinava Vidyatheertha Seva Trust	31.	P A C Ramasamy Raja Polytechnic College
15.	Smt. Lingammal Ramaraju Shastra Prathista Trust	32.	P A C R Industrial Training Center
16.	The Ramco Cements Limited Educational and Charitable Trust	33.	Smt. Sethu Ramammal Vidya Mandir English Medium High School
17.	Gowrihouse Metal Works LLP		

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

26. Related party transactions (Contd.)

e. Employee benefit funds where control exists

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

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

Particulars	Transaction during 2021-22	Outstanding as at March 31, 2022	Unbilled/ (unearned) outstanding as at March 31, 2022	Transaction during 2020-21	Outstanding as at March 31, 2021	Rs. Mln.
						Unbilled/ (unearned) outstanding as at March 31, 2021
Income from sale of goods & services						
Ramco Systems Corporation, USA	191.29	60.79	-	155.82	55.53	-
Ramco Systems Canada Inc., Canada	3.52	0.33	-	1.38	0.69	-
Ramco Systems Ltd., Switzerland	5.13	-	-	18.71	-	-
Ramco Systems Sdn. Bhd., Malaysia	59.20	19.43	-	74.08	4.89	-
Ramco Systems Pte. Ltd., Singapore	103.70	62.84	-	169.37	116.07	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	32.78	2.60	-	26.64	1.82	-
Ramco Systems FZ-LLC, Dubai	88.04	0.26	-	114.29	53.52	-
Ramco Systems Australia Pty Ltd., Australia	77.38	36.56	-	94.18	67.14	-
Ramco System Inc., Philippines	35.40	14.76	-	229.02	155.54	-
Ramco Systems (Shanghai) Co. Ltd., China	9.82	5.87	-	6.08	25.09	-
PT Ramco Systems Indonesia, Indonesia	1.13	0.50	-	6.22	3.72	-
Ramco System Vietnam Company Limited, Vietnam	0.01	-	-	1.72	1.45	-
The Ramco Cements Limited	150.30	-	-	107.99	-	-
Ramco Industries Limited	31.65	-	-	7.34	-	-
Rajapalayam Mills Limited	50.27	-	-	2.50	-	-
Rajapalayam Textile Limited	0.40	-	-	0.31	-	-
Sri Vishnu Shankar Mills Limited	1.43	-	-	1.13	-	-
Sandhya Spinning Mill Limited	1.11	-	-	0.82	-	-
Sri Harini Textiles Limited	-	-	-	0.22	-	-
The Ramaraju Surgical Cotton Mills Limited	2.30	-	-	2.13	-	-
Sudarsanam Estate	0.07	-	-	0.16	-	-
Swarna Bhoomi Estate	0.04	-	-	0.10	-	-
Thanga Vilas Estate	0.04	-	-	0.12	-	-
Ramco Welfare Trust	0.23	-	-	0.15	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.14	-	-	0.17	-	-
The Ramco Cements Limited Educational and Charitable Trust	0.15	-	-	1.63	-	-
Gowrihouse Metal Works LLP	0.36	-	-	-	-	-
P A C R Sethurammal Charity Trust	0.36	0.06	-	0.49	-	-
P A C R Sethurammal Charities	0.19	-	-	0.12	-	-
Madurai Trans Carrier Limited	0.85	-	-	0.85	-	-
Ramco Industrial and Technology Services Limited	1.25	-	-	2.67	-	-
Lynks Logistics Limited	15.87	14.53	-	11.74	-	-
P A C Ramasamy Raja Education Charity Trust	0.19	-	-	0.04	-	-
P A C Ramasamy Raja Centenary Trust	0.27	-	-	0.12	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

26. Related party transactions (Contd.)

Particulars	Rs. Mln.					
	Transaction during 2021-22	Outstanding as at March 31, 2022	Unbilled/ (unearned) outstanding as at March 31, 2022	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021
Income from royalty						
Ramco Systems Corporation, USA	159.82	18.08	31.51	226.14	42.14	58.17
Ramco Systems Canada Inc., Canada	9.99	2.97	3.91	6.03	1.04	2.51
Ramco Systems Ltd., Switzerland	9.51	1.07	-	8.29	0.90	-
Ramco Systems Sdn. Bhd., Malaysia	23.06	9.16	-	64.42	10.91	21.93
Ramco Systems Pte. Ltd., Singapore	56.43	24.89	79.12	101.62	65.89	82.50
Ramco Systems FZ-LLC, Dubai	84.34	11.03	8.54	70.67	20.78	6.76
Ramco Systems Australia Pty Ltd., Australia	60.07	17.32	20.64	62.06	34.63	13.70
RSL Enterprise Solutions (Pty) Ltd., South Africa	7.74	0.14	-	-	-	-
Ramco System Inc., Philippines	35.81	8.35	0.09	47.27	24.60	-
Ramco Systems (Shanghai) Co. Ltd., China	1.51	2.24	-	(2.51)	3.09	6.10
PT Ramco Systems Indonesia, Indonesia	0.76	0.42	-	0.97	2.58	-
Cost of services availed						
Ramco Systems Corporation, USA	50.42	7.59	-	61.53	10.61	-
Ramco Systems Ltd., Switzerland	53.19	31.82	-	19.99	33.56	-
Ramco Systems Sdn. Bhd., Malaysia	12.54	2.25	-	9.38	3.61	-
Ramco Systems Pte. Ltd., Singapore	86.23	24.60	-	62.31	17.14	-
Ramco Systems Australia Pty Ltd., Australia	56.19	19.03	-	10.78	6.01	-
Ramco System Inc., Philippines	15.51	3.42	-	7.38	2.86	-
PT Ramco Systems Indonesia, Indonesia	6.63	2.02	-	0.77	0.19	-
Ramco Systems (Shanghai) Co. Ltd., China	7.57	2.24	-	2.02	0.29	-
Ramco Industrial and Technology Services Limited	58.31	-	-	46.69	-	-
The Ramco Cements Limited	20.40	-	-	-	-	-
Ramco Industries Limited	1.13	-	-	-	-	-
Advances received from subsidiaries against services						
Ramco Systems Ltd., Switzerland	-	3.66	-	-	-	-
Ramco Systems FZ-LLC, Dubai	-	16.97	-	-	-	-
Investments / (divestment) (refer note no.8)						
Ramco Systems Pte. Ltd., Singapore	-	1,511.74	-	-	1,511.74	-
Ramco Systems Australia Pty Ltd., Australia	-	795.24	-	-	795.24	-
Ramco Systems Corporation, USA	-	743.41	-	-	743.41	-
Ramco Systems Ltd., Switzerland	-	441.70	-	-	441.70	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	(47.02)	52.00	-	-	99.02	-
Ramco Systems (Shanghai) Co. Ltd., China	-	10.41	-	-	10.41	-
Ramco System Vietnam Company Limited, Vietnam	7.47	23.91	-	-	16.44	-
PT Ramco Systems Indonesia, Indonesia	39.12	55.39	-	-	16.28	-
Ramco Systems Sdn. Bhd., Malaysia	-	18.22	-	-	18.22	-
Ramco Systems FZ-LLC, Dubai	-	0.62	-	-	0.62	-
R S L Software Co. Ltd, Sudan	-	2.08	-	-	2.08	-
Ramco System Inc., Philippines	-	17.44	-	-	17.44	-
Ramco Software Japan Limited, Japan	6.42	6.42	-	-	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

26. Related party transactions (Contd.)

Particulars	Rs. Mln.					
	Transaction during 2021-22	Outstanding as at March 31, 2022	Unbilled/ (unearned) outstanding as at March 31, 2022	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021
Loans given						
Ramco Systems Sdn. Bhd., Malaysia	-	67.41	-	-	125.66	-
Ramco Systems Australia Pty Ltd., Australia	-	280.65	-	-	276.83	-
Ramco Systems Pte. Ltd., Singapore	-	402.73	-	-	392.54	-
Ramco Systems FZ-LLC, Dubai	-	-	-	-	30.32	-
Ramco System Inc., Philippines	-	22.22	-	-	21.55	-
Interest income						
Ramco Systems Australia Pty Ltd., Australia	23.75	-	-	23.16	1.75	-
Ramco Systems Pte. Ltd., Singapore	34.77	-	-	34.22	-	-
Ramco Systems FZ-LLC, Dubai	0.10	-	-	10.55	-	-
Ramco Systems Sdn. Bhd., Malaysia	10.48	-	-	11.59	-	-
Ramco System Inc., Philippines	1.91	-	-	1.90	-	-
Bank guarantee issued in favour of bankers/customers/vendors of						
i) Ramco Systems FZ-LLC, Dubai	-	68.71	-	-	65.00	-
ii) Ramco System Inc., Philippines	-	5.02	-	4.79	27.78	-
iii) Ramco Systems Australia Pty Ltd., Australia	-	7.36	-	-	7.06	-
Corporate guarantee issued in favour of customer(s) of						
i) Ramco Systems Australia Pty Ltd., Australia	-	696.48	-	-	668.43	-
Rent expense						
The Ramco Cements Limited	92.99	7.09	-	92.99	-	-
Rajapalayam Mills Limited	0.08	-	-	0.08	-	-
Sitting fees						
Mr. P R Venketrama Raja	0.18	-	-	0.12	-	-
Mr. P V Abinav Ramasubramaniam Raja	0.18	-	-	0.12	-	-
Mr. M M Venkatachalam	0.33	-	-	0.27	-	-
Mr. A V Dharmakrishnan	0.33	-	-	0.24	-	-
Mr. R S Agarwal	0.36	-	-	0.27	-	-
Mrs. Soundara Kumar	0.36	-	-	0.27	-	-
Mr. Sankar Krishnan	0.27	-	-	0.24	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.36	-	-	0.27	-	-
Remuneration						
Mr. P V Abinav Ramasubramaniam Raja	1.32	-	-	1.31	-	-
Mr. R Ravi Kula Chandran	10.85	-	-	8.80	-	-
Mr. N E Vijaya Raghavan	1.96	-	-	1.57	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

26. Related party transactions (Contd.)

Particulars	Rs. Min.					
	Transaction during 2021-22	Outstanding as at March 31, 2022	Unbilled/ (unearned) outstanding as at March 31, 2022	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021
CSR contribution						
Shri Abhinava Vidyatheertha Seva Trust	-	-	-	14.45	-	-
Contributions made						
Ramco Systems Limited employees group gratuity scheme	16.73	-	-	14.84	-	-
Ramco Systems Limited employees superannuation scheme	15.54	-	-	14.56	-	-

Notes:

- Details of undertaking given by the Company are given in the note no.29.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- The transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free, except loan transactions. The Company has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are generally 30 to 120 days, except in the case of overseas subsidiaries, from whom the receivables are realized within the prescribed period.
- Disclosure of Key Management Personnel remuneration in total and for each of the following categories:

Particulars	Rs. Min.	
	FY 2021-22	FY 2020-21
Short - Term Benefits *	15.77	12.59
Defined Contribution Plan **	0.73	0.90
Defined Benefit Plan / Other Long - Term Benefits ***	-	-
Total	16.50	13.49

* It includes bonus, sitting fees, value of perquisites and fixed monthly remuneration in the form of commission (as applicable).

** It includes contribution to Provident fund, Superannuation, National pension scheme and accrual of Gratuity.

*** Based on actual payment if any.

- Maximum loan outstanding during the year from subsidiaries:

Name of the subsidiary	Rs. Min.	
	FY 2021-22	FY 2020-21
Ramco Systems Sdn. Bhd., Malaysia	130.59	144.57
Ramco Systems Australia Pty Ltd., Australia	293.81	294.73
Ramco Systems Pte. Ltd., Singapore	428.27	435.32
Ramco Systems FZ-LLC, Dubai	30.90	212.05
Ramco System Inc., Philippines	23.65	22.67

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

27. DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments by category

As at March 31, 2022

						Rs. Mln.
Sl. No.	Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
Financial assets						
1	Loans	773.01	-	-	773.01	773.01
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	692.95	-	-	692.95	692.95
4	Cash & cash equivalents	30.89	-	-	30.89	30.89
5	Other financial assets	492.51	0.01	-	492.52	492.52
	Total	1,989.36	0.01	15.00	2,004.37	2,004.37
Financial liabilities						
6	Borrowings	-	-	-	-	-
7	Lease liabilities	460.74	-	-	460.74	460.74
Trade payables						
8	Total outstanding dues of micro and small enterprises	26.52	-	-	26.52	26.52
9	Total outstanding dues of creditors, other than micro and small enterprises	435.38	-	-	435.38	435.38
10	Other financial liabilities	20.48	0.21	-	20.69	20.69
	Total	943.12	0.21	-	943.33	943.33

As at March 31, 2021

						Rs. Mln.
Sl. No.	Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
Financial assets						
1	Loans	848.65	-	-	848.65	848.65
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	1,175.39	-	-	1,175.39	1,175.39
4	Cash & cash equivalents	23.36	-	-	23.36	23.36
5	Other financial assets	630.14	-	-	630.14	630.14
	Total	2,677.54	-	15.00	2,692.54	2,692.54
Financial liabilities						
6	Borrowings	-	-	-	-	-
7	Lease liabilities	527.52	-	-	527.52	527.52
Trade payables						
8	Total outstanding dues of micro and small enterprises	9.29	-	-	9.29	9.29
9	Total outstanding dues of creditors, other than micro and small enterprises	313.31	-	-	313.31	313.31
10	Other financial liabilities	33.62	-	-	33.62	33.62
	Total	883.74	-	-	883.74	883.74

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**27. Disclosure of fair value measurements (Contd.)****Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2022 are given below:

Particulars	Rs. Mln.			
	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities	-	-	15.00	15.00
Financial Instruments at FVTPL				
Foreign currency forward contract	-	(0.20)	-	(0.20)

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2021 are given below:

Particulars	Rs. Mln.			
	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities	-	-	15.00	15.00
Financial Instruments at FVTPL				
Foreign currency forward contract	-	-	-	-

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

28. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital means the Total Equity as per the Balance Sheet. The primary objective of the Company's capital management is to maximize the Shareholder's wealth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by the total equity.

Particulars	Rs. Mln.	
	As at March 31, 2022	As at March 31, 2021
Borrowings *	-	-
Less: Cash and cash equivalents #	-	-
Net Debt (A)	-	-
Equity Share Capital	308.49	307.49
Other Equity	7,939.72	8,456.71
Total Equity (B)	8,248.21	8,764.20
Net Debt / Equity (A / B)	-	-

* Though there have been borrowings during the years ended March 31, 2022 and March 31, 2021, the same have been repaid, thus making the borrowings nil, as at the year end.

not considered, since borrowings were nil.

In order to achieve the overall objective, the Company's capital management, amongst other things aims to ensure that it meets financial covenants if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest bearing loans / borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

29. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities	As at March 31, 2022	As at March 31, 2021
	Rs. Mln.	Rs. Mln.
a) Bank Guarantees issued by the bankers to the Company in favour of:		
i) Bankers/customers/vendors, to the subsidiaries/overseas branches, as applicable (refer note no.26)	81.09	99.84
ii) Others	14.14	0.85
b) Corporate Guarantee issued in favour of customers of subsidiaries (refer note no.26)	696.48	668.43
c) Claims against the Company not acknowledged as debts		
i) Disputed Tamil Nadu Value Added Tax demand		
1. Relating to FY 2009-10 to FY 2013-14 and pending before The Honorable High Court of Madras	75.86	75.86
2. Relating to FY 2014-15 to FY 2017-18 in respect of which no demand notice has been received	26.73	26.73
ii) Disputed Value Added Tax demand, pending before the Deputy Commissioner of Sales Tax, Mumbai, FY 2012-13	0.09	0.09
iii) Disputed Service Tax demand, pending before The Commissioner of Service Tax, Appeals, Chennai	1.21	1.21
iv) Disputed Goods and Service Tax demand		
a. Relating to FY 2017-18 to 2019-20 pending before The Additional / Joint Commissioner of GST & Central Excise, Adjudication, Chennai	5.14	-
b. Relating to FY 2020-21 and 2021-22 for which no demand notice has been received	27.85	-
v) Other litigations	46.43	40.06
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.00	36.74

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Australia Pty Ltd., Australia, Ramco Systems (Shanghai) Co. Ltd., China and Ramco System Vietnam Company Limited, Vietnam for their operations and have also undertaken to ensure the going concern status of above subsidiaries and also that of Ramco System Inc., Philippines and Ramco Systems Sdn. Bhd., Malaysia and with respect to debt dues, if any, to Ramco Systems Ltd., Switzerland.

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

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors has constituted a Risk Management committee during the year, with responsibility including, formulation, monitoring and review of risk management policy, identification of risk mitigation measures and establishment of business continuity plan. The Company has already developed and implemented a risk management policy. The risk management systems are reviewed periodically. The Internal Audit reviews the risk management controls & procedures and reports to the Audit Committee.

The Company's financial risks comprise of market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and foreign currency risk.

A.1 Interest rate risk

The Company has borrowed debt at variable rates to finance its operations, which exposes it to interest rate risk. The Company's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

30. Financial risk management objectives and policies (Contd.)

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

Particulars of average borrowing	Rs. Mln.	
	FY 2021-22	FY 2020-21
Fixed rate borrowing	25.31	373.25
Variable rate borrowing	5.10	74.59

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2021-22 by Rs.0.05 Mln. (FY 2020-21 by Rs.0.75 Mln.).

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans given to overseas subsidiaries, trade payables and bank balances.

The Company's exposure to foreign currency risk with respect to material currencies as detailed below:

Foreign currency	Trade receivables	Unbilled revenues	Bank balances	Loans given	Trade payables	Total
SGD Mln.						
As at March 31, 2022	1.51	1.35	-	7.28	(0.17)	9.97
As at March 31, 2021	3.01	1.44	-	7.28	(0.19)	11.54
USD Mln.						
As at March 31, 2022	1.58	2.16	-	1.19	(0.33)	4.60
As at March 31, 2021	2.55	1.76	-	2.01	(0.35)	5.97
AUD Mln.						
As at March 31, 2022	0.88	0.19	-	5.03	(0.33)	5.77
As at March 31, 2021	1.83	0.16	-	5.06	(0.11)	6.94
EUR Mln.						
As at March 31, 2022	0.05	1.96	-	-	(0.49)	1.52
As at March 31, 2021	0.30	2.32	-	-	(0.54)	2.08

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

Foreign currency	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
SGD	9.97	(9.97)	11.54	(11.54)
USD	4.60	(4.60)	5.97	(5.97)
AUD	5.77	(5.77)	6.94	(6.94)
EUR	1.52	(1.52)	2.08	(2.08)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures:

- Availment of packing credit in foreign currency (PCFC), including entering into cross currency forward contracts in equivalent USD where the exposures are in other currencies. The exposure is nil for both March 31, 2022 and March 31, 2021.
- Entering into forward contracts which are not covered by PCFC, for such quantum as considered appropriate. The outstanding exposure in this regard is as follows:

Foreign currency	FY 2021-22		FY 2020-21	
	In Mln.	Rs. Mln.	In Mln.	Rs. Mln.
AUD	0.39	21.78	-	-
SGD	0.43	23.79	-	-
USD	0.26	19.58	-	-
CAD	0.09	5.38	-	-

The above outstanding forward contracts amounting to Rs. 70.53 Mln. have been converted at the closing rates as against the contracted value of Rs. 72.46 Mln. The accounting treatment followed for foreign exchange forward contracts is Mark to Market based and net loss of Rs. 0.20 Mln. has been considered in the P&L.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

30. Financial risk management objectives and policies (Contd.)

B. Credit risk

Credit risk is the risk of financial loss to the Company, if the customer or counter party to the financial instruments or supplier fail to meet its contractual obligations and arises principally from the Company's receivables and treasury operations.

Customer credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored and the Company creates a provision based on expected credit loss model.

B.1 Trade receivables, unbilled revenues and advance to suppliers and service providers

Trade receivables

Trade receivables of the Company include a) dues from its overseas subsidiaries amounting to 43% as at March 31, 2022 (59% as at March 31, 2021), of total trade receivables which are risk free and b) dues from others which are exposed to credit risk. The number of external customers (excluding subsidiaries) and the percentage they owed exceeding Rs. 5.00 Mln. individually, out of the outstanding as at March 31, 2022, were 16 and 77% respectively (20 and 64% as at March 31, 2021). External customers who accounted for more than 10% of the trade receivable from them, is one both as at March 31, 2022 and as at March 31, 2021.

Unbilled revenues

Unbilled revenues (Unbilled licenses revenue grouped under financial asset and unbilled services revenue grouped under non-financial assets i.e., other assets) of the Company are also exposed to risk in the event of the inability to bill the customer. Unbilled royalty revenue is in respect of overseas subsidiaries, which are generally risk free.

Number of external customers constituting more than 10% of the unbilled revenues in respect of them, is two as at March 31, 2022 and one as at March 31, 2021.

Advance to suppliers and service providers

Advance to suppliers and service providers are also exposed to risk in the event of inability to adjust such advances from their billing or otherwise recover the same.

B.2 Credit risk exposure

The movement in provision for doubtful debts and advances is as below:

Particulars	Rs. Mln.	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	134.60	158.61
Provisions for the year	281.43	93.54
Translation differences	0.20	(0.33)
Provision utilized for write off	(208.47)	(117.22)
Balance at the end	207.76	134.60
Credit exposure (net of provisions):		
Trade receivables	692.95	1,175.39
Unbilled licenses revenue	316.86	394.66
Unbilled royalty revenue	143.81	191.66
Unbilled services revenue	317.77	342.81
Advance to suppliers and service providers	16.60	69.23

B.3 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Company is exposed to counter party risk relating to deposits with banks and investments in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**30. Financial risk management objectives and policies (Contd.)****C. Liquidity risk**

Liquidity risks are those risks that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

Particulars	Rs. Mln.	
	As at March 31, 2022	As at March 31, 2021
Expiring within one year		
Bank cash credit / overdraft / packing credit / WCDL (subject to the availability of drawing power at the time of draw)	1,725.00	1,725.00
Expiring beyond one year	Nil	Nil

Maturities of financial liabilities

Particulars	Rs. Mln.		
	< 1 year	> 1 year	Total
As at March 31, 2022			
Borrowings	-	-	-
Trade and other payables	450.83	31.76	482.59
Lease liabilities (on undiscounted basis)	105.27	502.68	607.95
Total	556.10	534.44	1,090.54
As at March 31, 2021			
Borrowings	-	-	-
Trade and other payables	324.44	31.78	356.22
Lease liabilities (on undiscounted basis)	112.55	606.84	719.39
Total	436.99	638.62	1,075.61

31. The Company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.
32. The Company's shares are listed on BSE Limited and The National Stock Exchange of India Limited. In line with the provisions of the listing agreement with the stock exchanges, the listing fee for the FY 2021-22 have been paid to the BSE Limited and The National Stock Exchange of India Limited.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

33. FINANCIAL RATIOS

Sl. No.	Particulars	Numerator	Denominator	FY 2021-22	FY 2020-21	Variance (in %)	Reason for variance
1	Current ratio	Current assets	Current liabilities	2.42	3.48	(30.46%)	Declined, mainly due to reduction in trade receivables from subsidiaries / others, coupled with increase in trade payables in the current year
2	Debt equity ratio	Total debt (including lease liabilities)*	Shareholder's equity	0.06	0.06	Nil	
3	Debt service coverage ratio	Net profit after taxes, adjusted for non cash items	Sum of interest, lease payments, net loan repayments during the year	4.16	1.16	259.25%	Improved, mainly due to there being no net repayment of bank borrowings during the year, despite there being a reduction in earnings available for debt service for the year
4	Return on equity ratio	Net profits after taxes	Average total equity	(0.06)	0.05	(220.00%)	Declined, mainly due to incurrence of loss during the year compared to profit earned during the previous year
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	Nil	Nil	Nil	
6	Trade receivables turnover ratio	Total sales	Average trade receivables	2.99	2.73	9.52%	
7	Trade payables turnover ratio	Cost of goods sold, services and other expenses, adjusted	Average trade payables and other related liabilities	5.19	5.43	(4.36%)	
8	Net capital turnover ratio	Revenue	Working capital	2.03	1.69	20.12%	
9	Net profit ratio in %	Net profit	Revenue	(17.87%)	12.82%	(239.39%)	Declined, mainly due to incurrence of loss during the year compared to profit earned during the previous year
10	Return on capital employed in %	Earnings before interest and taxes	Capital employed**	(9.11%)	13.07%	(169.70%)	Declined, mainly due to incurrence of loss during the year compared to profit earned during the previous year
11	Return on investment in % *	Income generated from short term treasury investments	Weighted average short term treasury investments	3.24%	2.94%	10.20%	

* Debt represents only lease liabilities

** Tangible net worth + Deferred tax liabilities + Lease liabilities

34. IMPACT OF COVID-19

Due to the outbreak of COVID-19 and the intermittent lockdowns announced by Government of India and State Governments during the year, the Company's offices were closed in general and most of the employees were advised to work from home. The scenario was similar across our subsidiaries. There were restrictions / relaxations, and the operations are being carried on accordingly, in compliance with guidelines issued by various authorities with respect to following safety precautions like social distancing and prescribed hygiene standards. This scenario has impacted the business during the year resulting in lower order booking and negative growth.

However, the Company's capital and financial resources are well protected, though there was an impact on the revenue and profitability during the year. The liquidity position of the Company is adequate, and the Company continued to be debt free at the end of the year. The Company has been servicing its interim short-term debt obligations as per schedule on the due dates. The Company has sufficient liquidity / financial arrangements for the continuity of its business operations.

The Company is confident of its ability to serve its debt and other obligations in future as well. The Company is confident to raise funds that may be required in the future. The Company has got adequate internal financial controls commensurate with the size and nature of its operations and pertaining to financial reporting. There is no impact on the Company's supply chain. The Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

COVID-19 continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The Company has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non-financial assets and as per the current assessment of the Company, there is no material impact in respect of these in the preparation of the financial statements. However, the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to monitor the uncertainties caused by COVID-19 to assess the impact on our future economic conditions.

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

36. The figures in Rupees have been rounded off to the million with two decimals in current and previous year.

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

RESEARCH AND DEVELOPMENT ACTIVITIES

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
		Rs. Mln.	Rs. Mln.
ASSETS			
Non-current assets			
Property, plant and equipment	1	3.98	4.46
Intangible assets	2	2,815.23	2,573.07
Total non-current assets		2,819.21	2,577.53
Current assets			
Financial assets		-	0.12
Other current assets		1.36	23.85
Total current assets		1.36	23.97
Total assets		2,820.57	2,601.50
EQUITY AND LIABILITIES			
Equity			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		(6,437.05)	(5,948.63)
Total equity		(6,437.05)	(5,948.63)
Liabilities			
Non-current liabilities			
Head office contra account		9,212.69	8,440.12
Total non-current liabilities		9,212.69	8,440.12
Current liabilities			
Financial liabilities			
Trade payables		37.72	57.39
Other current liabilities		7.21	52.62
Total current liabilities		44.93	110.01
Total liabilities		9,257.62	8,550.13
Total equity and liabilities		2,820.57	2,601.50
Notes on Financials of Research & Development Activities	1 - 5		

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	Year ended	Year ended
		March 31, 2022	March 31, 2021
		Rs. Mln.	Rs. Mln.
EXPENSES			
Employee benefits expense	3	(3.34)	0.25
Depreciation and amortization expense	1 & 2	491.76	454.12
Other expenditure	4	-	-
Total expenditure		488.42	454.37
Profit / (loss) for the year		(488.42)	(454.37)

Notes on Financials of Research & Development Activities

1 - 5

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

1. PROPERTY, PLANT AND EQUIPMENT

Particulars				Rs. Mln.
	Laptops and desktops	Servers and networks	Office equipments	Total
Gross carrying value				
As at April 01, 2020	7.71	2.72	0.17	10.60
Additions	1.34	-	-	1.34
Disposals	-	-	-	-
As at March 31, 2021	9.05	2.72	0.17	11.94
Additions	2.03	-	-	2.03
Disposals	-	-	-	-
As at March 31, 2022	11.08	2.72	0.17	13.97
Depreciation				
As at April 01, 2020	5.08	0.45	0.17	5.70
For the year	1.32	0.46	-	1.78
Disposals	-	-	-	-
As at March 31, 2021	6.40	0.91	0.17	7.48
For the year	2.06	0.45	-	2.51
Disposals	-	-	-	-
As at March 31, 2022	8.46	1.36	0.17	9.99
Carrying value				
As at March 31, 2021	2.65	1.81	-	4.46
As at March 31, 2022	2.62	1.36	-	3.98

2. INTANGIBLE ASSETS

Particulars				Rs. Mln.
	Technology platform	Product software	Computer software	Total
Gross carrying value				
As at April 01, 2020	1,689.94	4,589.40	38.89	6,318.23
Additions	103.23	494.06	0.40	597.69
Deletions	-	-	-	-
As at March 31, 2021	1,793.17	5,083.46	39.29	6,915.92
Additions	120.99	607.44	2.98	731.41
Deletions	-	-	-	-
As at March 31, 2022	1,914.16	5,690.90	42.27	7,647.33
Amortization				
As at April 01, 2020	1,087.62	2,765.13	37.76	3,890.51
For the year	112.28	339.46	0.60	452.34
Disposals	-	-	-	-
Impairment	-	-	-	-
As at March 31, 2021	1,199.90	3,104.59	38.36	4,342.85
For the year	115.84	368.57	0.73	485.14
Disposals	-	-	-	-
Impairment	-	4.11	-	4.11
As at March 31, 2022	1,315.74	3,477.27	39.09	4,832.10
Carrying value				
As at March 31, 2021	593.27	1,978.87	0.93	2,573.07
As at March 31, 2022	598.42	2,213.63	3.18	2,815.23

NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES (Contd.)

3. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Rs. Min.	Rs. Min.
Salaries, bonus, contributions etc.,	598.28	426.85
Share based payments	(3.34)	0.25
Staff welfare	6.81	4.87
Gross cost	601.75	431.97
Less: Product research and development expenditure capitalized	(605.09)	(431.72)
	(3.34)	0.25

4. OTHER EXPENSES

Postage & telephone	2.03	0.98
Power & fuel	4.14	3.98
Travel & conveyance	3.52	2.41
Rent & Hosting charges	0.92	0.48
Consultancy & outsourcing charges	97.36	154.50
Other miscellaneous expenses	15.37	3.22
Gross cost	123.34	165.57
Less: Product research and development expenditure capitalized	(123.34)	(165.57)
	-	-

5. CALCULATION OF TOTAL R&D EXPENDITURE

i) Capital expenditure for R&D (exclusive of product research & development expenditure capitalized) (refer note no.1 & 2)	5.02	1.74
ii) Recurring R&D expenditure:		
Employee benefits expense - gross (refer note no.3)	601.75	431.97
Other expenses - gross (refer note no.4)	123.34	165.57
Sub-total	725.09	597.54
Total R&D expenditure (i) + (ii)	730.11	599.28

FINANCIAL STATEMENTS CONSOLIDATED

RAMCO SYSTEMS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

SUBSIDIARIES

- 1 Ramco Systems Corporation, USA
- 2 Ramco Systems Ltd., Switzerland
- 3 Ramco Systems Pte. Ltd., Singapore
- 4 Ramco Systems Sdn. Bhd., Malaysia
- 5 RSL Enterprise Solutions (Pty) Ltd., South Africa
- 6 Ramco Systems Canada Inc., Canada
- 7 Ramco Systems FZ-LLC, Dubai
- 8 R S L Software Co. Ltd., Sudan
- 9 Ramco Systems Australia Pty Ltd., Australia
- 10 Ramco System Inc., Philippines
- 11 Ramco Systems (Shanghai) Co. Ltd., China
- 12 Ramco System Vietnam Company Limited, Vietnam
- 13 PT Ramco Systems Indonesia, Indonesia
- 14 Ramco Systems Macau Limited, Macau
- 15 Ramco Software Japan Limited, Japan
- 16 Ramco Systems Defense and Security Incorporated, USA

AUDITORS

M S JAGANNATHAN & N KRISHNASWAMI

Chartered Accountants, Chennai

INDEPENDENT AUDITOR'S REPORT

To the Members of **RAMCO SYSTEMS LIMITED**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ("Consolidated Financial Statements") of Ramco Systems Limited ("Holding Company") and its Subsidiaries (together referred to as the "Group") and the share of profit of its Associate. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended 31 March 2022 and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the State of Affairs ("Financial Position") of the Group as at 31 March 2022, its Consolidated Loss ("Financial Performance including Other Comprehensive Income"), Consolidated Cash Flows and Consolidated Changes in Equity for the year ended on 31 March 2022.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

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

Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue

Trade Receivables

Trade receivables are amounts billed but not yet received. As on 31 March 2022, amount outstanding on this account is Rs.1,716.89 Mn (PY: Rs.1,834.96 Mn). Of this Rs.16.62 Mn is due from an Associate in which the Group holds 30% of the Equity.

Unbilled License Revenue

Revenue recognition in the case of Licenses is on delivery of the software and when the customer obtains a right to use such license. The excess revenue over billing is classified as Unbilled License Revenue and grouped under Financial Assets. The amount outstanding as on 31 March 2022 is Rs. 1,562.78 Mn (PY: Rs. 2,231.95 Mn).

Unbilled Service Revenue

Revenue recognition in the case of services is based on percentage of completion method. The excess revenue over billing is classified as Unbilled Service Revenue and grouped under Other Assets. The amount outstanding as on 31 March 2022 is Rs. 1,145.67 Mn (PY: Rs. 1,248.29 Mn).

Auditor's Response

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

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

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

We have reviewed the credit risk policy of the Group. The implementation of such policy has been audited through audit / review of accounts through compliance and substantive testing of selected samples. The Group has created a provision for doubtful debts for Trade Receivable and Unbilled Revenue based on expected

Independent Auditor's Report (Contd.)

credit loss method. We have evaluated the empirical data of the previous years and we have ascertained that the current provisioning for the expected credit loss is in line with the historical evidence.

We assessed the ageing of Trade Receivables and Unbilled Revenue, the customer's historical billing and collection patterns and whether any payments post year-end have been received up to the date this report. We have also ascertained the key judgments and assumptions used by the Management in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.

Intangible Assets

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

The carrying value of intangible assets is subjected to evaluation based on its existing functionality and its ability to generate revenue in future for the foreseeable period. The carrying cost of Product Software and Technology Platform as on 31 March 2022 is Rs. 2,812.05 Mn (PY: Rs. 2,572.14 Mn).

Auditor's Response

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

Our procedures focused on:

1. The functional classification of the product software and technology platform and their reasonableness; and
2. Evaluation of the appropriateness of the revenue forecasts and operating cash flows that could be generated based on the current functionality of the product software and technology platform, included in the business forecast for the foreseeable future.
3. Reviewing the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:
 - a. Comparing historical budget forecasts against actual results.
 - b. Comparing forecast growth to business plans approved by the Board.

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

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our audit report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance (including other comprehensive income), Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its Associate in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards specified under Section 133 of the Act, read with applicable rules there under.

Independent Auditor's Report (Contd.)

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

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of its entity in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due

to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and

Independent Auditor's Report (Contd.)

qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

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

OTHER MATTERS

The Consolidated Financial Statements reflects the Group's share of total assets of Rs. 5,946.95 Mn as at 31 March 2022, total revenues of Rs. 3,481.59 Mn, total net loss after tax of Rs. 226.28 Mn for the year ended 31 March 2022 of the subsidiaries, which were not audited by us but were audited / reviewed by other independent auditors whose reports have been furnished to us by the Management. Our opinion in terms of sub-section (3) and (11) of section 143 of the Act, on the Consolidated Financial Statements in so far as it relates to the amount as mentioned above and disclosures included in respect of the subsidiaries, is solely based on the report of the other independent auditors.

The Consolidated Financial Statements include Group's share of assets of Rs. 16.38 Mn as at 28 February 2022 and profit after tax of the Associate amounting to Rs. 1.04 Mn for the year ended 28 February 2022, which was not audited. Our opinion in terms of sub-section (3) and (11) of section 143 of the Act, on the Consolidated Financial Statements in so far as it relates to the amount as mentioned above and disclosures included in

respect of the Associate, is solely based on the certification of the unaudited financials by the Management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- A. Since none of the Subsidiaries whose financials are included in the Consolidated Financial Statements, have been incorporated in India, the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, is not applicable to them and hence the requirement of indicating the details as required under paragraph 3 and 4 of the Order, does not arise.
- B. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 5. On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2022 and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31 March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
 6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the Internal Financial

Independent Auditor's Report (Contd.)

Controls over financial reporting of the Holding Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting.

7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the Consolidated Financial Position of the Group - Refer note no. 27 to the Consolidated Financial Statements.

ii. The Group and associate company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts required to be transferred by the Holding Company to the Investor Education and Protection Fund.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries"), or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding

Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"), or
- Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.

v. There is no dividend declared or paid during the year by the Holding Company and hence compliance under Section 123 of the Act does not arise.

C. With respect to the matter to be included in the Audit report under Section 197(16) of the Act:

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

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

K SRINIVASAN

Partner
Membership No.: 021510
UDIN: 22021510AJFRYS9494

Place: Chennai
Date: May 19, 2022

ANNEXURE A to the Independent Auditor's Report of even date on the Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards, of RAMCO SYSTEMS LIMITED

Report on the Internal Financial Controls over the Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("Act")

OPINION

We have audited the Internal Financial Controls over financial reporting of the Holding Company as of 31 March 2022 in conjunction with our audit of the Consolidated Financial Statements for the year ended 31 March 2022. Our reporting of the Internal Financial Controls in the case of Consolidated Financial Statements is applicable only to the Holding Company, which has been audited by us.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, in all material aspects, has an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

MANAGEMENT'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on the Holding Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's Internal Financial Controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that internal Financial Control over financial

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants
Firm Registration No.: 001208S

K SRINIVASAN

Partner
Membership No.: 021510
UDIN: 22021510AJFRYS9494

Place: Chennai
Date: May 19, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
		Rs. Mn.	USD Mn.	Rs. Mn.	USD Mn.
ASSETS					
Non-current assets					
Property, plant and equipment	5	205.26	2.73	193.78	2.65
Right-of-use assets	6	496.62	6.59	579.20	7.93
Intangible assets	7	2,859.42	37.96	2,625.38	35.93
Investment in associate	8	16.38	0.25	15.35	0.24
Financial assets					
Investments	9.1	15.00	0.23	15.00	0.23
Trade receivables	9.2	50.28	0.67	14.78	0.20
Other financial assets	9.4	912.26	12.11	1,338.66	18.33
Tax assets (net)		61.30	0.81	75.70	1.04
Deferred tax assets (net)	10	31.03	0.41	-	-
Other non-current assets	11	13.71	0.19	7.49	0.10
		4,661.26	61.95	4,865.34	66.65
Current assets					
Financial assets					
Trade receivables	9.2	1,666.61	22.13	1,820.18	24.91
Cash and cash equivalents	9.3	128.06	1.70	153.32	2.10
Other financial assets	9.4	748.65	9.94	1,004.35	13.75
Tax assets (net)		136.22	1.81	141.26	1.93
Other current assets	11	1,404.90	18.65	1,426.78	19.53
		4,084.44	54.23	4,545.89	62.22
Total assets		8,745.70	116.18	9,411.23	128.87
EQUITY AND LIABILITIES					
Equity					
Equity share capital	12	308.49	6.08	307.49	6.06
Other equity	13	5,497.69	71.03	6,210.99	83.19
Equity attributable to equity holders of the parent		5,806.18	77.11	6,518.48	89.25
Non-controlling interests		34.26	0.50	29.97	0.44
Total equity		5,840.44	77.61	6,548.45	89.69
Liabilities					
Non-current liabilities					
Financial liabilities					
Lease liabilities	14.1	442.93	5.88	521.18	7.13
Trade payables	14.2				
Total outstanding dues of creditors, other than micro and small enterprises		47.47	0.63	46.91	0.64
Deferred tax liabilities (net)	10	-	-	50.29	0.69
Provisions	15	254.45	3.38	234.14	3.20
Other non-current liabilities	16	22.51	0.30	110.05	1.51
		767.36	10.19	962.57	13.17
Current liabilities					
Financial liabilities					
Lease liabilities	14.1	112.99	1.50	107.04	1.47
Trade payables	14.2				
Total outstanding dues of micro and small enterprises		26.52	0.35	9.29	0.13
Total outstanding dues of creditors, other than micro and small enterprises		665.95	8.84	554.30	7.59
Other financial liabilities	14.3	20.69	0.27	33.62	0.46
Provisions	15	22.41	0.30	18.62	0.25
Liabilities for current tax		38.56	0.51	39.54	0.54
Other current liabilities	16	1,250.78	16.61	1,137.80	15.57
		2,137.90	28.38	1,900.21	26.01
Total liabilities		2,905.26	38.57	2,862.78	39.18
Total equity and liabilities		8,745.70	116.18	9,411.23	128.87
The accompanying policies and notes form an integral part of the financial statements					
Significant Accounting Policies, Judgments and Estimates	1-4				
Notes on Financial Statements	5-34				

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	Year ended March 31, 2022		Year ended March 31, 2021	
		Rs. Min.	USD Min.	Rs. Min.	USD Min.
INCOME					
Revenue from operations	17	5,311.02	71.93	6,263.06	84.92
Finance income	18	79.18	1.07	81.53	1.11
Other income	19	13.57	0.18	64.12	0.87
Total income		5,403.77	73.18	6,408.71	86.90
EXPENSES					
Purchase of stock-in-trade		9.43	0.13	60.25	0.82
Changes in inventories of stock-in-trade		-	-	-	-
Employee benefits expense	20	2,958.74	40.07	2,761.57	37.44
Finance costs	21	54.19	0.73	88.25	1.20
Depreciation and amortization expense	22	753.18	10.20	691.46	9.38
Other expenses	23	2,362.34	31.99	1,728.31	23.43
Total expenses		6,137.88	83.12	5,329.84	72.27
Profit / (Loss) before share of profit of an associate		(734.11)	(9.94)	1,078.87	14.63
Share of Profit of an associate	8	1.04	0.01	0.35	-
Profit / (Loss) before tax		(733.07)	(9.93)	1,079.22	14.63
Income tax expense	10				
Current tax (includes MAT)		72.93	0.99	187.28	2.54
Deferred tax (includes MAT credit)		(76.70)	(1.04)	324.96	4.41
Total income tax expenses		(3.77)	(0.05)	512.24	6.95
Profit / (Loss) for the year		(729.30)	(9.88)	566.98	7.68
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) of defined benefit obligations		(12.18)	(0.17)	4.69	0.07
Income tax on above item(s)		3.55	0.05	(1.37)	(0.02)
		(8.63)	(0.12)	3.32	0.05
(ii) Items that may be reclassified to profit or loss					
Effect of change in functional currency of foreign operations		28.41	(2.10)	(115.98)	0.68
Income tax on above item(s)		-	-	-	-
		28.41	(2.10)	(115.98)	0.68
Other comprehensive income for the year (i + ii)		19.78	(2.22)	(112.66)	0.73
Total comprehensive income for the year		(709.52)	(12.10)	454.32	8.41
Profit / (Loss) for the year attributable to:					
a) Shareholders of the Company		(733.59)	(9.94)	557.77	7.56
b) Non-controlling interests		4.29	0.06	9.21	0.12
		(729.30)	(9.88)	566.98	7.68
Total comprehensive income for the year attributable to:					
a) Shareholders of the Company		(713.81)	(12.16)	445.11	8.29
b) Non-controlling interests		4.29	0.06	9.21	0.12
		(709.52)	(12.10)	454.32	8.41
Earnings per Equity Share of Rs.10 each, in Rs. and USD (calculated on profit for the year attributable to Shareholders of the Company)					
Basic		(23.87)	(0.32)	18.20	0.25
Diluted		(23.87)	(0.32)	18.20	0.25
Weighted average equity shares used in computing earnings per share					
Basic		30,738,261		30,640,345	
Diluted		30,738,261		30,640,345	
The accompanying policies and notes form an integral part of the financial statements					
Significant Accounting Policies, Judgments and Estimates	1-4				
Notes on Financial Statements	5-34				

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

	Nos. in Mln.		Rs. Mln.		USD Mln.	
Equity shares of Rs. 10 each issued, subscribed and fully paid						
Balance as at April 01, 2020		30.60		306.39		6.05
Changes in Equity Share Capital due to prior period errors		-		-		-
Restated balance at the beginning of the previous reporting period		30.60		306.39		6.05
Changes in Equity Share Capital during FY 2020-21 (refer note no.12)		0.11		1.10		0.01
Balance as at March 31, 2021		30.71		307.49		6.06
Changes in Equity Share Capital due to prior period errors		-		-		-
Restated balance at the beginning of the previous reporting period		30.71		307.49		6.06
Changes in Equity Share Capital during FY 2021-22 (refer note no.12)		0.10		1.00		0.02
Balance as at March 31, 2022		30.81		308.49		6.08

b. Other equity for the year ended March 31, 2022

Particulars	Share application money pending allotment		Securities premium		Employee stock options outstanding		Reserves & Surplus		Items of OCI		Total		Non-controlling interests		Total other equity	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2021	-	-	6,633.67	120.31	240.05	3.90	(747.00)	(30.31)	84.27	(10.71)	6,210.99	83.19	29.97	0.44	6,240.96	83.63
Profit for the period	-	-	-	-	-	-	(733.59)	(9.94)	-	-	(733.59)	(9.94)	4.29	0.06	(729.30)	(9.88)
Other comprehensive income (OCI) / (losses)	-	-	-	-	-	-	(8.63)	(0.12)	-	-	(8.63)	(0.12)	-	-	(8.63)	(0.12)
(a) Remeasurement gains / (losses) of defined benefit obligations *	-	-	-	-	-	-	-	-	28.41	(2.10)	28.41	(2.10)	-	-	28.41	(2.10)
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	112.68	(12.81)	5,497.18	71.03	34.26	0.50	5,531.44	71.53
Total comprehensive income / (losses)	-	-	6,633.67	120.31	240.05	3.90	(1,489.22)	(40.37)			5,497.18	71.03	34.26	0.50	5,531.44	71.53
Subscription to stock option schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	15.32	0.20	-	-	-	-	-	-	15.32	0.20	-	-	15.32	0.20
Transfer on exercise of stock options	-	-	26.76	0.36	(26.76)	(0.36)	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	(14.81)	(0.20)	-	-	-	-	(14.81)	(0.20)	-	-	(14.81)	(0.20)
As at March 31, 2022	-	-	6,675.75	120.87	198.48	3.34	(1,489.22)	(40.37)	112.68	(12.81)	5,497.69	71.03	34.26	0.50	5,531.95	71.53

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Share application money pending allotment		Securities premium		Employee stock options outstanding		Reserves & Surplus Retained earnings		Items of OCI Currency translation reserve		Total		Non-controlling interests		Total other equity	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Other equity for the year ended March 31, 2021																
As at April 01, 2020	-	6,585.58	119.65	274.12	4.36	(1,308.09)	(37.92)	200.25	(11.39)	5,751.86	74.70	20.76	0.31	5,772.62	75.01	
Profit for the period	-	-	-	-	-	557.77	7.56	-	-	557.77	7.56	9.21	0.12	566.98	7.68	
Other comprehensive income (OCI) / (losses)																
(a) Remeasurement gains / (losses) of defined benefit obligations *	-	-	-	-	-	3.32	0.05	-	-	3.32	0.05	-	-	3.32	0.05	
(b) Exchange difference on translation of foreign operations	-	-	-	-	-	-	(115.98)	0.68	0.68	(115.98)	0.68	-	-	(115.98)	0.68	
Total comprehensive income / (losses)	-	6,585.58	119.65	274.12	4.36	(747.00)	(30.31)	84.27	(10.71)	6,196.97	82.99	29.97	0.43	6,226.94	83.42	
Subscription to stock option schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issue of share capital	-	18.16	0.25	-	-	-	-	-	-	18.16	0.25	-	-	18.16	0.25	
Transfer on exercise of stock options	-	29.93	0.41	(29.93)	(0.41)	-	-	-	-	-	-	-	-	-	-	
Share based payments for options granted	-	-	-	(4.14)	(0.05)	-	-	-	-	(4.14)	(0.05)	-	0.01	(4.14)	(0.04)	
As at March 31, 2021	-	6,633.67	120.31	240.05	3.90	(747.00)	(30.31)	84.27	(10.71)	6,210.99	83.19	29.97	0.44	6,240.96	83.63	

* In accordance with Ind AS, remeasurement gains / (losses) on defined benefit obligations recognized in OCI are not to be subsequently reclassified to profit or loss. As required under Ind AS compliant Schedule III, the Group transfers it immediately to retained earnings.

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

As per our report annexed

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

K SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date: May 19, 2022

P R VENKETRAMA RAJA
Chairman

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

R RAVI KULA CHANDRAN
Chief Financial Officer

SOUNDARA KUMAR
Director

N E VJAYA RAGHAVAN
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
A. Cash flow from operating activities:				
Profit before tax	(734.11)	(9.94)	1,078.87	14.63
Adjustments for :				
Depreciation and impairment of property, plant and equipment (PPE)	78.75	1.07	80.37	1.09
Amortization and impairment of intangible assets	549.51	7.44	481.82	6.53
Leased assets - Depreciation, impairment and finance costs	176.33	2.38	189.18	2.57
Share based payment expense accrual / (reversal)	(14.81)	(0.20)	(4.14)	(0.06)
(Profit) / loss on sale of PPE (net)	0.65	0.01	0.71	0.01
Bad debts / provision for doubtful debts & advances, net	574.06	7.77	472.63	6.41
Remeasurement of defined benefit obligations	(12.18)	(0.17)	4.69	0.07
Effect of exchange difference on translation of deferred tax & fixed assets	(1.20)	0.96	(0.39)	(0.99)
Effect of change in foreign currency translation reserve	28.41	(2.09)	(115.98)	0.68
Unrealized exchange (gain) / loss	(1.76)	(0.02)	(67.94)	(0.92)
Finance and investment income	(59.39)	(0.80)	(78.00)	(1.06)
Finance costs	2.08	0.03	27.24	0.37
Grant income	(9.32)	(0.12)	(60.70)	(0.82)
Operating profit before working capital / other changes	577.02	6.32	2,008.36	28.51
Adjustments for :				
Increase / (decrease) in provisions	24.10	0.23	68.19	0.99
Increase / (decrease) in trade and other payables	129.44	1.46	13.11	0.40
Increase / (decrease) in other current liabilities	12.51	(0.36)	77.08	1.49
(Increase) / decrease in trade and other receivables	249.11	5.53	(477.09)	(8.63)
Cash generated from operations	992.18	13.18	1,689.65	22.76
Income tax paid	(73.77)	(1.02)	(33.59)	(0.45)
Net cash flow from / (used in) operating activities (A)	918.41	12.16	1,656.06	22.31
B. Cash flow from investing activities:				
Addition to tangible / intangible assets	(876.54)	(11.63)	(692.57)	(9.45)
Effect of non-controlling interest	0.01	-	-	-
Proceeds from sale of PPE	2.24	0.03	1.01	0.01
Advance for issue of shares (refer note no.8 of the Standalone Financial Statements)	6.42	0.09	(6.42)	(0.09)
Short term fixed deposits placed with Banks	(0.18)	-	(1.50)	0.02
Interest income on loans and deposits	2.11	0.02	0.22	0.01
Receipt of government grants	15.03	0.20	38.60	0.52
Net cash flow from / (used in) investing activities (B)	(850.91)	(11.29)	(660.66)	(8.98)
C. Cash flow from financing activities:				
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans	16.32	0.22	19.26	0.25
Proceeds from short term borrowings	623.03	8.44	1,611.69	21.85
Repayment of long term borrowings	-	-	(100.00)	(1.33)
Repayment of short term borrowings	(623.03)	(8.44)	(2,438.72)	(32.86)
Payment of lease liabilities	(166.04)	(2.26)	(168.97)	(2.29)
Finance costs paid	(2.08)	(0.03)	(27.24)	(0.37)
Finance income	57.28	0.78	77.77	1.05
Net cash flow from / (used in) financing activities (C)	(94.52)	(1.29)	(1,026.21)	(13.70)

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(27.02)	(0.42)	(30.81)	(0.37)
Effect of unrealized exchange (gain) / loss	1.76	0.02	67.94	0.92
Net cash generated / (used in) for the year	(25.26)	(0.40)	37.13	0.55
Cash and cash equivalents at the beginning of the year	153.32	2.10	116.19	1.55
Cash and cash equivalents as at the end of the year	128.06	1.70	153.32	2.10

Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings (excluding bank overdraft):

Balance at the beginning of the year				
Long term borrowings	-	-	66.67	0.89
Short term borrowings	-	-	827.03	11.02
Current maturities of long term debt	-	-	33.33	0.44
Sub total	-	-	927.03	12.35
Cash flows during the year				
Proceeds from long term borrowings	-	-	-	-
Repayment of long term borrowings	-	-	(100.00)	(1.33)
Proceeds from short term borrowings	623.03	8.44	1,611.69	21.85
Repayment from short term borrowings	(623.03)	(8.44)	(2,438.72)	(32.86)
Interest and finance charges on loans	2.08	0.03	27.24	0.37
Interest and finance charges on loans paid	(2.08)	(0.03)	(27.24)	(0.37)
Sub total	-	-	(927.03)	(12.34)
Balance at the end of the year				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Current maturities of long term debt	-	-	-	-
Sub total	-	-	-	-

Reconciliation of cash and cash equivalents as per the cash flow statement:

Cash and cash equivalents (refer note no.9.3)	128.06	1.70	153.32	2.10
Bank overdrafts (refer note no.14)	-	-	-	-
Balance as per statement of cash flows	128.06	1.70	153.32	2.10

Reconciliation between the opening and closing balances of lease liabilities:

Balance at the beginning of the year	628.22	8.60	734.44	9.79
Payment of lease liabilities	(166.04)	(2.26)	(168.97)	(2.29)
Non-cash movements	93.74	1.04	62.75	1.10
Balance at the end of the year	555.92	7.38	628.22	8.60

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

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1. GROUP INFORMATION

The consolidated financial statements comprise financial statements of Ramco Systems Limited, India (the “Company” or the “Parent”) and its subsidiaries (collectively, “Group”) and affiliate as given below for the year ended March 31, 2022.

Sl. no.	Name	Country	% holding of the Parent	Year ending on
Subsidiaries				
(1)	Ramco Systems Corporation	USA	98%	31st March
(2)	Ramco Systems Ltd.	Switzerland	100%	31st March
(3)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31st March
(4)	Ramco Systems Pte. Ltd.	Singapore	100%	31st March
(5)	RSL Enterprise Solutions (Pty) Ltd.	South Africa	100%	31st March
(6)	Ramco Systems Canada Inc. (Step-down subsidiary of sl. no. (1) above)	Canada	98%	31st March
(7)	Ramco Systems FZ-LLC	Dubai	100%	31st March
(8)	R S L Software Co. Ltd.	Sudan	100%	31st March
(9)	Ramco Systems Australia Pty Ltd.	Australia	100%	31st March
(10)	Ramco System Inc.	Philippines	100%	31st March
(11)	Ramco Systems (Shanghai) Co. Ltd.	China	100%	31st March
(12)	Ramco System Vietnam Company Limited	Vietnam	100%	31st March
(13)	PT Ramco Systems Indonesia	Indonesia	100%	31st March
(14)	Ramco Systems Macau Limited (Step-down subsidiary of sl. no. (4) above)	Macau	100%	31st March
(15)	Ramco Software Japan Limited	Japan	100%	31st March
(16)	Ramco Systems Defense and Security Incorporated (Step-down subsidiary of sl. no. (1) above)	USA	98%	31st March
Associate / Affiliate				
(a)	CityWorks (Pty.) Ltd., South Africa (Associate of sl. no. (5) above)	South Africa	30%	28th February

The Company is a public limited company domiciled and headquartered in India and incorporated on February 19, 1997 under the provisions of Companies Act, 1956. Its shares are listed in BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at No. 47, P.S.K Nagar, Rajapalayam, 626108 and corporate office and R&D center is located at 64, Sardar Patel Road, Taramani, Chennai, 600113.

The Company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like core ERP, Human Resource & Payroll, Aviation Maintenance Repair and overhaul, Logistics, Services Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or hosted on cloud. The subsidiary companies are involved in selling / implementing / supporting the products developed by the Parent.

The consolidated financial statements for the year ended March 31, 2022 were approved and adopted by the Board of Directors of the Company in its meeting held on May 19, 2022.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) (to the extent notified), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

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

2.2 Pursuant to General Circular No.39/2014 dated October 14, 2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

2.3 The consolidated financial statements have been prepared on the historical cost convention on accrual basis except certain financial instruments and defined benefit plan assets, share based payments that are measured at fair values or at amortized cost at the end of each reporting period.

2.4 An asset is treated as current when it is:

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

All other assets are classified as non-current.

2.5 A liability is current when:

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

All other liabilities are classified as non-current.

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

2.7 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.8 The consolidated financial statements are presented in Indian Rupees (i.e., the functional currency of the Parent) as well as in United States Dollars (USD) and all values are rounded to the nearest millions, except when otherwise indicated. Figures less than ten thousands are shown as nil.

2.9 Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Group and Affiliate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect

those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.

The financial statements of subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The financial statements of the Affiliate have been consolidated using the Equity Method. The most recent available financial statements of the associate is used in applying the equity method.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: a) the amount of equity attributable to the non-controlling interest at the dates on which investment in a subsidiary is made; and b) the share of movements in equity of non-controlling interest since the date the parent-subsidiary relationship came into existence.

Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Parent's functional currency, as well as in USD. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the spot rate on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not reinstated at each balance sheet date.

Translation of financial statements of foreign branches

All transactions of the foreign branch are recorded in their respective functional currencies.

Income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. All assets and liabilities are translated at the rate prevailing on the Balance Sheet date. Net gain / loss on foreign currency translation is recognized in the OCI.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the monthly moving average exchange rates applicable for the year. The equity share capital is stated at the exchange rate at the date of the investment. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in consolidated statement of profit or loss.

3. ACCOUNTING POLICIES**3.1 Significant accounting policies****a. Investment in associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognizes the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statement of profit or loss.

b. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

c. Revenue recognition

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

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

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

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

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

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.

(c) Product Support Services

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

(d) Application Maintenance Services

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

(2) Revenue from Software Services**(a) Implementation / Professional Services**

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

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

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

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

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

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

Any change in scope or price is considered as a contract modification. The Group

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

(b) **Managed Services**

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

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

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

Contract assets, liabilities and financing arrangements

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

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

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

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

d. Finance income

Interest on bank deposits is recognized on accrual basis.

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

e. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grant related to income is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to an asset is recognized as income in equal amounts over the expected useful life of the related asset.

f. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates as per the provisions of the Income tax Act, 1961 for the Company and other applicable tax laws in the countries where the Group operates and generate taxable income. Current income tax payable by overseas branches of the Company if any is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income, and if not available, charged off in the profit and loss account.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognized as an asset viz., MAT credit

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the “MAT credit entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

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

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

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

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

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

g. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals,

the Group depreciates them separately based on their specific useful lives.

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

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

Depreciation in the books of subsidiaries is charged on a pro-rata basis on the Straightline Method over the useful life of the assets.

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

Asset type	Useful life in years
Building	60
Laptops and desktops	3 to 5
Server and networks	6
Furniture and fixtures	5 to 16
Office equipments	3 to 7
Electrical items	5 to 10
Vehicles	8

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Right-of-use assets

Leases

The Group has adopted Ind AS 116 “Leases” with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases & related interpretation & guidance. The Group has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019. The Group's lease asset classes primarily consist of leases for land, buildings and office equipments.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Policy applicable from April 01, 2019

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

Group as a lessee

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

a) Right-of-use (“ROU”) assets

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

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

b) Lease liabilities

The Group recognizes lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable,

variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

The Group applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

It also applies the lease of low-value assets recognition exemption to such leases that are considered to be of low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight line basis over the lease term.

Group as a lessor

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

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate and are treated as changes

in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Software development costs

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

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

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Patents

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

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

Asset type	Useful life in years
Self-generated R&D (Product software & Technology platform)	10
Computer software	Lower of license period and 3 to 6
Patents	10

j. Borrowing costs

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

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

k. Inventories

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

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

selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Impairment of non-financial assets

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

m. Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or it is not probable that an

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the consolidated financial statements.

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

n. Employee benefits expense**Short term employee benefits**

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

Defined contribution plans of the Company**Superannuation**

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

National pension system

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

Provident fund

In addition to the above benefits, all employees receive benefits from a provident fund, which is defined

contribution plan. Both the employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's basic salary. These contributions are made to the employees' provident fund maintained by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plans of the Company**Gratuity**

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

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

Leave encashment

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

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

o. Financial instruments

1. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
2. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Group has a legal right to offset the recognized amounts and intends

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3. The Group initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Group. When the Group reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Group does not restate any previously recognized gains, losses including impairment gains or losses or interest.

Financial assets

4. Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
5. Depending on the business model (i.e.,) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
 - a) Amortized cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL)

Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

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

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

Investment in equity of associate is carried at cost. The Group has opted to use the previous GAAP carrying amount as cost, as at the date of transition to Ind AS. The Group has exercised an irrevocable option at the time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Group classifies its financial assets for measurement as below:

Classification	Names of financial assets
Amortized cost	Trade receivables, loans and advances, deposits, grants, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity instrument in companies other than associate as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

7. Financial assets are de-recognized (i.e.,) removed from the consolidated financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Group also de-recognizes when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
 - a) Significant risk and rewards of the financial asset, or
 - b) Control of the financial asset.

However, the Group continue to recognize the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Group has applied the de-recognition requirements prospectively.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

8. Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the consolidated statement of profit and loss.
9. For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the lifetime. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Financial liabilities

10. Financial liabilities comprise of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and Other financial liabilities.
11. The Group measures its financial liabilities as below:

Measurement basis	Names of financial liabilities
Amortized cost	Borrowings, Trade payables, Interest accrued, Security deposits and Other financial liabilities not for trading.
FVTPL	Foreign exchange forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

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

p. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into cash.

q. Cash dividend

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

r. Cash flow statement

Cash flows are presented using indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

s. Share based payments

Stock options granted to the option grantees of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the options are granted. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The modification fair value is recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognized over the vesting period remaining after the modification date.

Graded vesting options

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

t. Earnings per share (EPS)

Net profit after tax is divided by the weighted average number of equity shares outstanding.

When an item of income or expense which is otherwise required to be recognized in the consolidated statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing EPS.

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

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

u. Operating segments

The Group's business operation comprises of single operating segment viz., Software and related solutions. Operating segment has been identified

on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

v. Assets held for sale

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

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Rules, 2022, which are applicable for annual reporting periods beginning on or after April 01, 2022. The details of amendments applicable to the Group and its impact are as below:

Ind AS 16 Property, Plant and Equipment

The amendment clarifies that 'excess of net sale proceeds of items produced over the cost of testing', if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

The amendment clarifies the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor and materials) or an allocation of other costs that relate directly to fulfilling the contracts (examples would be allocation of depreciation charge for an item of PPE used in fulfilling that contract).

The Group does not expect that, these amendments will have any significant impact in its financial statements.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**4. SIGNIFICANT ESTIMATES AND JUDGMENTS**

The preparation of the consolidated financial statements requires the Group's management ("management") to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

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

The management has applied the following estimates / assumptions / judgments in preparation and presentation of financial statements:

Property, plant and equipment (PPE) and intangible assets

The residual values and estimated useful life of PPEs and intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation / amortization / impairment.

Current taxes

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

Deferred tax asset (including MAT credit entitlement)

Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can

be retained / recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment of financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

Impairment of non-financial assets (PPE / intangible assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

Impairment of investments in associate

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

Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

this is not feasible, a degree of judgment is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Share based payments

The Group initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

Revenue recognition

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

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

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

The Group uses judgment to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable,

the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

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

Leases

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

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building		Laptops and desktops		Servers and networks		Furniture and fixtures		Office equipments		Electrical items		Vehicles		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Gross carrying value																
As at April 01, 2020	3.12	0.04	309.55	4.12	149.49	1.99	75.68	1.01	129.70	1.73	16.93	0.23	36.01	0.48	720.48	9.60
Additions	-	-	49.12	0.67	11.97	0.16	0.06	-	2.39	0.03	0.10	-	6.00	0.08	69.64	0.94
Disposals	-	-	(0.05)	-	-	-	-	-	-	-	(0.10)	-	(4.44)	(0.06)	(4.59)	(0.06)
Exchange difference	-	-	(1.73)	0.09	(0.02)	0.05	1.96	0.05	1.46	0.07	(0.05)	0.01	-	0.01	1.62	0.28
As at March 31, 2021	3.12	0.04	356.89	4.88	161.44	2.20	77.70	1.06	133.55	1.83	16.88	0.24	37.57	0.51	787.15	10.76
Additions	-	-	62.00	0.82	24.37	0.32	0.37	0.01	0.45	0.01	0.01	-	5.76	0.08	92.96	1.24
Disposals	-	-	(0.65)	(0.01)	-	-	(0.44)	(0.01)	-	-	(0.05)	-	(5.10)	(0.07)	(6.24)	(0.09)
Exchange difference	-	-	4.59	(0.08)	0.01	(0.05)	1.19	(0.01)	1.59	(0.04)	0.06	(0.02)	-	(0.01)	7.44	(0.21)
As at March 31, 2022	3.12	0.04	422.83	5.61	185.82	2.47	78.82	1.05	135.59	1.80	16.90	0.22	38.23	0.51	881.31	11.70
Depreciation																
As at April 01, 2020	1.94	0.03	259.36	3.46	69.80	0.93	50.97	0.67	102.58	1.37	11.51	0.15	20.46	0.27	516.62	6.88
For the year	0.05	-	34.22	0.46	21.94	0.30	5.71	0.08	13.51	0.18	1.23	0.02	3.71	0.05	80.37	1.09
Disposals	-	-	(0.05)	-	-	-	-	-	-	-	(0.05)	-	(2.76)	(0.04)	(2.86)	(0.04)
Exchange difference	-	-	(2.09)	0.07	(0.02)	0.03	0.33	0.02	1.06	0.05	(0.04)	-	-	0.01	(0.76)	0.18
As at March 31, 2021	1.99	0.03	291.44	3.99	91.72	1.26	57.01	0.77	117.15	1.60	12.65	0.17	21.41	0.29	593.37	8.11
For the year	0.05	-	40.74	0.56	21.36	0.29	4.52	0.06	7.55	0.10	1.03	0.01	3.50	0.05	78.75	1.07
Disposals	-	-	(0.26)	-	-	-	(0.13)	-	-	-	(0.05)	-	(2.90)	(0.04)	(3.34)	(0.04)
Exchange difference	-	-	4.45	(0.09)	0.01	(0.05)	1.12	-	1.61	(0.02)	0.07	-	0.01	(0.01)	7.27	(0.17)
As at March 31, 2022	2.04	0.03	336.37	4.46	113.09	1.50	62.52	0.83	126.31	1.68	13.70	0.18	22.02	0.29	676.05	8.97
Carrying value																
As at March 31, 2021	1.13	0.01	65.45	0.89	69.72	0.94	20.69	0.29	16.40	0.23	4.23	0.07	16.16	0.22	193.78	2.65
As at March 31, 2022	1.08	0.01	86.46	1.15	72.73	0.97	16.30	0.22	9.28	0.12	3.20	0.04	16.21	0.22	205.26	2.73

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

6. RIGHT-OF-USE ASSETS

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross carrying value								
As at April 01, 2020	814.47	10.85	19.04	0.25	2.43	0.03	835.94	11.13
Additions	10.71	0.15	-	-	1.59	0.02	12.30	0.17
Disposals	(30.40)	(0.42)	-	-	-	-	(30.40)	(0.42)
Exchange difference	8.71	0.42	-	-	-	-	8.71	0.42
As at March 31, 2021	803.49	11.00	19.04	0.25	4.02	0.05	826.55	11.30
Additions	48.60	0.65	-	-	1.54	-	50.14	0.65
Disposals	(23.49)	(0.31)	-	-	-	-	(23.49)	(0.31)
Exchange difference	2.39	(0.31)	-	-	-	0.02	2.39	(0.29)
As at March 31, 2022	830.99	11.03	19.04	0.25	5.56	0.07	855.59	11.35
Depreciation								
As at April 01, 2020	123.92	1.64	4.77	0.07	1.62	0.02	130.31	1.73
For the year	122.84	1.67	4.76	0.06	1.68	0.02	129.28	1.75
Disposals	(14.47)	(0.20)	-	-	-	-	(14.47)	(0.20)
Exchange difference	2.23	0.09	-	-	-	-	2.23	0.09
As at March 31, 2021	234.52	3.20	9.53	0.13	3.30	0.04	247.35	3.37
For the year	118.57	1.61	4.76	0.06	1.59	0.02	124.92	1.69
Disposals	(15.44)	(0.20)	-	-	-	-	(15.44)	(0.20)
Exchange difference	2.13	(0.11)	-	-	0.01	0.01	2.14	(0.10)
As at March 31, 2022	339.78	4.50	14.29	0.19	4.90	0.07	358.97	4.76
Carrying value								
As at March 31, 2021	568.97	7.80	9.51	0.12	0.72	0.01	579.20	7.93
As at March 31, 2022	491.21	6.53	4.75	0.06	0.66	-	496.62	6.59

7. INTANGIBLE ASSETS

Particulars	Technology platform		Product software		Computer software		Patents		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross carrying value										
As at April 01, 2020	1,689.95	22.52	4,589.40	61.15	201.95	2.69	14.23	0.19	6,495.53	86.55
Additions	103.23	1.41	494.06	6.76	25.64	0.35	-	-	622.93	8.52
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	0.61	-	1.67	(0.57)	0.07	-	0.01	(0.57)	2.36
As at March 31, 2021	1,793.18	24.54	5,083.46	69.58	227.02	3.11	14.23	0.20	7,117.89	97.43
Additions	120.99	1.61	607.43	8.06	55.14	0.73	-	-	783.56	10.40
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	(0.01)	(0.74)	-	(2.08)	0.65	(0.08)	-	(0.01)	0.64	(2.91)
As at March 31, 2022	1,914.16	25.41	5,690.89	75.56	282.81	3.76	14.23	0.19	7,902.09	104.92
Amortization										
As at April 01, 2020	1,087.62	14.49	2,765.14	36.86	146.68	1.95	11.82	0.15	4,011.26	53.45
For the year	112.28	1.52	339.46	4.60	29.43	0.40	0.65	0.01	481.82	6.53
Impairment loss	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	0.41	-	1.05	(0.57)	0.05	-	0.01	(0.57)	1.52

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

7. Intangible assets (Contd.)

Particulars	Technology platform		Product software		Computer software		Patents		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at March 31, 2021	1,199.90	16.42	3,104.60	42.51	175.54	2.40	12.47	0.17	4,492.51	61.50
For the year	115.84	1.57	368.56	4.98	60.43	0.82	0.57	0.01	545.40	7.38
Impairment loss	-	-	4.11	0.06	-	-	-	-	4.11	0.06
Exchange difference	-	(0.52)	(0.01)	(1.38)	0.65	(0.07)	0.01	(0.01)	0.65	(1.98)
As at March 31, 2022	1,315.74	17.47	3,477.26	46.17	236.62	3.15	13.05	0.17	5,042.67	66.96
Carrying value										
As at March 31, 2021	593.28	8.12	1,978.86	27.07	51.48	0.71	1.76	0.03	2,625.38	35.93
As at March 31, 2022	598.42	7.94	2,213.63	29.39	46.19	0.61	1.18	0.02	2,859.42	37.96

Note: For the details of security to borrowings, refer note no.14.

8. INVESTMENT IN ASSOCIATE / AFFILIATE

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

Particulars	Year ended February 28, 2022		Year ended February 28, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Group's share in:				
Profit after tax	1.04	0.01	0.35	-
Other comprehensive income	-	-	-	-
Total comprehensive income (TCI)	1.04	0.01	0.35	-
Aggregate value of unquoted equity investments in trade, long term, 600 shares (previous year 600) of face value ZAR 1 each:				
Particulars	As at February 28, 2022		As at February 28, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Opening carrying amount	15.35	0.24	14.99	0.23
Group's share of profit in TCI	1.04	0.01	0.35	-
Exchange difference	(0.01)	-	0.01	0.01
Closing carrying amount	16.38	0.25	15.35	0.24
Aggregate amount of impairment in the value of investment	-	-	-	-

The accounting period of the associate is March to February. The equity adjustment is considered based on the financials prepared by the associate for the said period and no further adjustments considered as they are not material.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

9. FINANCIAL ASSETS

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

	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
2,335 Shares in SmartMegh Solutions Private Limited., India of face value of Rs.10 each (as at March 31, 2021 2,335 Shares @ Rs.10 each)	15.00	0.23	15.00	0.23
Aggregate value of unquoted investment	15.00	0.23	15.00	0.23
Aggregate value of impairment in value of investment	-	-	-	-

9.2 Trade receivables

Unsecured, considered good				
Non-current				
Trade receivables - other than related parties	53.03	0.71	15.31	0.21
Unsecured, considered doubtful				
Trade receivables - other than related parties	108.30	1.44	108.17	1.48
	161.33	2.15	123.48	1.69
Less: Allowance for impairment loss	111.05	1.48	108.70	1.49
	50.28	0.67	14.78	0.20
Current				
Unsecured, considered good				
Trade receivables - associate	16.62	0.22	20.65	0.28
Trade receivables - other related parties	14.59	0.19	-	-
Trade receivables - other than related parties	1,729.56	22.96	1,868.41	25.57
	1,760.77	23.37	1,889.06	25.85
Less: Allowance for impairment loss	94.16	1.24	68.88	0.94
	1,666.61	22.13	1,820.18	24.91

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days, except the contracts which are entered with deferred credit terms.

Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note no.24.

For details, terms and conditions relating to related party receivables, refer note no. 24.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

9.2 Trade receivables (Contd.)

Trade receivables ageing schedule

Particulars	As at March 31, 2022														Unbilled revenue (Note no. 9.4)		
	Outstanding for following periods from due date of payment																
	Not due		Less than 6 months		6 months -1 year		1-2 years		2-3 years		More than 3 years		Total		Rs. Min.	USD Min.	
Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Min.	USD Min.
Non-current																	
(i) Undisputed trade receivables – considered good	9.54	0.13	1.86	0.02	0.93	0.01	19.18	0.26	4.22	0.06	17.30	0.23	53.03	0.71	929.82	12.35	
(ii) Undisputed trade receivables – considered doubtful	-	-	0.35	0.01	2.48	0.03	7.26	0.10	15.37	0.20	67.20	0.89	92.66	1.23	227.37	3.02	
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	15.64	0.21	15.64	0.21	-	-	
	9.54	0.13	2.21	0.03	3.41	0.04	26.44	0.36	19.59	0.26	100.14	1.33	161.33	2.15	1,157.19	15.37	
Less: Allowance for impairment loss													111.05	1.48	289.03	3.84	
													50.28	0.67	868.16	11.53	
Current																	
(i) Undisputed trade receivables – considered good	710.96	9.44	409.79	5.44	61.10	0.81	166.75	2.21	37.48	0.50	374.69	4.97	1,760.77	23.37	737.28	9.79	
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	710.96	9.44	409.79	5.44	61.10	0.81	166.75	2.21	37.48	0.50	374.69	4.97	1,760.77	23.37	737.28	9.79	
Less: Allowance for impairment loss													94.16	1.24	42.66	0.57	
													1,666.61	22.13	694.62	9.22	

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

9.2 Trade receivables (Contd.)

Trade receivables ageing schedule

Particulars	As at March 31, 2021														Unbilled revenue (Note no. 9.4)	
	Outstanding for following periods from due date of payment															
	Not due		Less than 6 months		6 months -1 year		1-2 years		2-3 years		More than 3 years		Total		Rs. Min.	USD Min.
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Non-current																
(i) Undisputed trade receivables – considered good	14.90	0.20	-	-	-	0.41	0.01	-	-	-	-	-	15.31	0.21	1,382.50	18.92
(ii) Undisputed trade receivables – considered doubtful	-	-	-	0.03	-	3.88	0.05	9.84	0.14	78.78	1.08	-	92.53	1.27	70.71	0.97
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	15.64	0.21	-	15.64	0.21	-	-
	14.90	0.20	-	-	-	4.29	0.06	9.84	0.14	94.42	1.29	-	123.48	1.69	1,453.21	19.89
Less: Allowance for impairment loss													108.70	1.49	158.46	2.17
													14.78	0.20	1,294.75	17.72
Current																
(i) Undisputed trade receivables – considered good	768.55	10.52	480.25	6.57	86.56	1.18	86.24	1.18	49.18	0.67	418.28	5.73	1,889.06	25.85	993.19	13.60
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	768.55	10.52	480.25	6.57	86.56	1.18	86.24	1.18	49.18	0.67	418.28	5.73	1,889.06	25.85	993.19	13.60
Less: Allowance for impairment loss													68.88	0.94	55.99	0.77
													1,820.18	24.91	937.20	12.83

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

9.3 Cash and cash equivalents

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Cash on hand	0.28	-	0.45	0.01
Balances with Banks in current / savings / business accounts	127.78	1.70	152.87	2.09
	128.06	1.70	153.32	2.10

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

9.4 Other financial assets

Unsecured, considered good				
Non-current				
Unbilled licenses revenue	929.82	12.35	1,382.50	18.92
Security deposit	42.36	0.56	34.47	0.48
Employee advances	1.74	0.02	3.02	0.04
Advance for issue of shares (refer note no.8 of the Standalone Financial Statements)	-	-	6.42	0.09
Unsecured, considered doubtful				
Unbilled licenses revenue	227.37	3.02	70.71	0.97
	1,201.29	15.95	1,497.12	20.50
Less: Allowance for impairment loss	289.03	3.84	158.46	2.17
	912.26	12.11	1,338.66	18.33
Current				
Unbilled licenses revenue	737.28	9.79	993.19	13.60
Security deposit	3.33	0.04	9.85	0.14
Employee advances	27.45	0.37	20.52	0.28
Foreign currency forward contract	0.01	-	-	-
Insurance claims receivable	-	-	8.00	0.11
Government grant receivable	16.39	0.22	22.10	0.30
Bank deposits held as margin money	6.77	0.09	6.59	0.09
Balance with Banks in share issue accounts	0.08	-	0.09	-
	791.31	10.51	1,060.34	14.52
Less: Allowance for impairment loss	42.66	0.57	55.99	0.77
	748.65	9.94	1,004.35	13.75

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

10. TAXES

(a) Deferred tax (asset) / liability*

Nature of (asset) / liability	Rs. Mln.			
	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	794.46	734.59	59.87	34.09
Tax impact on unutilized carry forward losses	(361.69)	(305.25)	(56.44)	327.26
Tax effect of provision for gratuity	(6.02)	(4.42)	(1.60)	0.11
Tax effect of provision for compensated absences	(29.50)	(26.80)	(2.70)	(1.06)
Tax effect of provision for bad and doubtful debts / advances	(71.83)	(47.40)	(24.43)	4.36
Tax impact on foreign exchange differences	(0.03)	(2.01)	1.98	0.72
Tax impact on all other items	(113.42)	(58.89)	(54.53)	(21.79)
Tax impact on remeasurement gains / (losses) on defined benefit obligations (under OCI)	4.45	8.00	(3.55)	1.37
Impact of foreign exchange on conversion of overseas entities	-	-	1.15	(2.01)
Deferred tax (asset) / liability (net)	216.42	297.82		
Deferred tax (income) / expense (net)			(80.25)	343.05

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

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

Particulars	Rs. Mln.	
	Balance sheet as at	
	March 31, 2022	March 31, 2021
i) Deferred tax (asset) / liability		
Opening balance	297.82	(47.23)
Deferred tax (income) / expense during the year recognized in statement of profit and loss	(76.70)	341.68
Deferred tax (income) / expense during the year recognized in OCI	(3.55)	1.37
Impact of foreign exchange on conversion of overseas entities	(1.15)	2.00
Closing balance	216.42	297.82
ii) MAT credit		
Opening balance	(685.33)	(550.55)
MAT credit for the current / previous year(s) including rounding off	0.08	(134.78)
Closing balance	(685.25)	(685.33)
iii) Provision for MAT credit *		
Opening balance	437.80	319.75
Provision for the current / previous year(s)	-	118.05
Closing balance	437.80	437.80
Total deferred tax (asset) / liability (i + ii + iii)	(31.03)	50.29
<i>In USD Mln.</i>	<i>(0.41)</i>	<i>0.69</i>

* represents provision for MAT credit created by the Parent Company, because of the utilization of foreign WHT for the discharge of MAT liability, which is denied by virtue of insertion of proviso to sub section 2A of section 115JAA of the Income Tax Act, 1961 and had filed a Writ petition challenging the said proviso in The Honorable High Court of Madras. The Parent Company will continue to make provision for such MAT credit availed, until disposal of the case.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

10. Taxes (Contd.)

(c) Components of tax expenses

Particulars	Rs. Mln.	
	For the year ended	
	March 31, 2022	March 31, 2021
i) Statement of profit and loss		
Current tax		
Current Income Tax charge (including MAT)	72.93	187.28
Deferred tax		
Relating to the origination and reversal of temporary differences	(76.70)	341.68
MAT credit for the current / previous year(s)	-	(134.77)
Provision for MAT credit (refer note no.10(b)(iii) above)	-	118.05
Total tax (income) / expense reported in statement of profit and loss	(3.77)	512.24
ii) Other comprehensive income (OCI)		
Deferred tax impact on remeasurement gains / (losses) of defined benefit obligations	(3.55)	1.37
Total tax (income) / expense reported in OCI	(3.55)	1.37
iii) Total tax (income) / expense reported in total comprehensive income	(7.32)	513.61

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarized below:

Particulars	Rs. Mln.	
	For the year ended	
	March 31, 2022	March 31, 2021
Accounting profit before tax	(734.11)	1,078.87
Less: Adjustment from carry forward losses	(576.31)	1,197.57
Profit / (loss) considered for taxation	(157.80)	(118.70)
Corporate tax rate %	29.12%	29.12%
Computed tax expense / (income)	(45.95)	(34.57)
Increase / (reduction) in taxes on account of:		
MAT on accounting profit before tax & USA State taxes	7.31	165.32
Tax adjustments of earlier years	(0.13)	0.51
Non-deductible expenses	2.01	34.38
Branch tax for which no credit availed	1.09	-
Tax on non-taxable income for Indian tax purposes / impact due to differential tax rates from India	108.60	49.55
Additional allowances / deductions for tax purposes	-	(27.91)
	72.93	187.28
Deferred tax (income) / expense recognition during the year	(76.70)	341.68
MAT credit for the current / previous year(s)	-	(134.77)
Provision for MAT credit (refer note no.10(b)(iii) above)	-	118.05
Tax (income) / expenses reported in the statement of profit and loss	(3.77)	512.24
Tax (income) / expense reported in the other comprehensive income	(3.55)	1.37
<i>In USD Mln.</i>	<i>P&L</i>	<i>(0.05)</i>
	<i>OCI</i>	<i>(0.05)</i>
		<i>6.95</i>
		<i>0.02</i>

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

11. OTHER ASSETS

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current				
Unsecured, considered good				
Prepaid expenses	4.59	0.06	0.25	-
Advance to suppliers and service providers #	68.01	0.91	33.11	0.45
Unbilled services revenue	2.07	0.03	4.13	0.06
Unsecured, considered doubtful				
Unbilled services revenue	55.44	0.74	76.59	1.05
	130.11	1.74	114.08	1.56
Less: Allowance for impairment loss	116.40	1.55	106.59	1.46
	13.71	0.19	7.49	0.10
Current				
Unsecured, considered good				
Prepaid expenses	138.26	1.84	74.60	1.02
Advance to suppliers & service providers *#	10.99	0.15	71.83	0.98
Unbilled services revenue	1,209.07	16.05	1,275.29	17.46
Statutory advances	111.09	1.47	36.19	0.50
	1,469.41	19.51	1,457.91	19.96
Less: Allowance for impairment loss	64.51	0.86	31.13	0.43
	1,404.90	18.65	1,426.78	19.53

* Includes prepayment to gratuity fund for the year Nil, (previous year Rs.13.07 Mln.(USD 0.18 Mln.)) by the Company.

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

12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Authorized share capital				
50,000,000 (as at March 31, 2021 - 50,000,000) Equity Shares of Rs. 10 each	500.00		500.00	
Issued and subscribed capital				
31,163,099 (as at March 31, 2021 - 31,063,260) Equity Shares of Rs.10 each	311.63	6.25	310.63	6.23
Paid-up capital				
30,813,921 (as at March 31, 2021 - 30,714,082) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	308.49	6.08	307.49	6.06
	308.49	6.08	307.49	6.06

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)
12.1 The reconciliation of share capital for the year :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
At the beginning of the year	307.49	6.06	306.39	6.05
Addition during the year	1.00	0.02	1.10	0.01
At the end of the year	308.49	6.08	307.49	6.06

Particulars	FY 2021-22	FY 2020-21
Movement in number of shares during:		
At the beginning of the year	30,714,082	30,603,181
Addition during the year under employee stock option schemes	99,839	110,901
At the end of the year	30,813,921	30,714,082

12.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of Rs.10 each. The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3 Shares held by promoters (including promoter group)

Sl. No.	Name	As at March 31, 2022		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	10.88	(0.04)
2	Mrs. R Sudarsanam	290,615	0.94	-
3	Mrs. S Saradha Deepa	237,576	0.77	-
4	Mrs. R Nalina Ramalakshmi	322,649	1.05	-
5	Mrs. P V Nirmala	17,902	0.06	-
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-
7	Mrs. B Srisandhya Raju	110,670	0.36	-
8	Mrs. R Chittammal	77,060	0.25	-
9	The Ramco Cements Limited	5,417,810	17.58	(0.06)
10	Ramco Industries Limited	5,467,376	17.74	(0.06)
11	Rajapalayam Mills Limited	733,531	2.38	(0.01)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.84	(0.01)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	0.01	-
16	Ramco Management Private Limited	300	-	-
	Total	16,724,849	54.28	(0.17)

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

12.3 Shares held by promoters (including promoter group) (Contd.)

Sl. No.	Name	As at March 31, 2021		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	10.92	(0.04)
2	Mrs. R Sudarsanam	290,615	0.95	-
3	Mrs. S Saradha Deepa	237,576	0.77	(0.06)
4	Mrs. R Nalina Ramalakshmi	322,649	1.05	-
5	Mrs. P V Nirmala	17,902	0.06	-
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-
7	Mrs. B Srisandhya Raju	110,670	0.36	-
8	Mrs. R Chittammal	77,060	0.25	-
9	The Ramco Cements Limited	5,417,810	17.64	(0.06)
10	Ramco Industries Limited	5,467,376	17.80	(0.07)
11	Rajapalayam Mills Limited	733,531	2.39	(0.01)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.85	(0.01)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	-	-
16	Ramco Management Private Limited	300	-	-
	Total	16,724,849	54.45	(0.25)

13. OTHER EQUITY

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Securities Premium	6,675.75	120.87	6,633.67	120.31
Currency translation reserve	112.68	(12.81)	84.27	(10.71)
Employee stock options outstanding	198.48	3.34	240.05	3.90
Retained earnings	(1,489.22)	(40.37)	(747.00)	(30.31)
Total equity attributable to the equity holders of the Company	5,497.69	71.03	6,210.99	83.19
Non-controlling interests	34.26	0.50	29.97	0.44
Total other equity	5,531.95	71.53	6,240.96	83.63

Refer consolidated statement of changes in equity for movement.

Nature and purpose of reserves

Securities premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued, to the extent they are exercised.

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Currency Units) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operation.

Employee stock options outstanding

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

Retained earnings

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

14. FINANCIAL LIABILITIES

Borrowings

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings / loans repayable on demand from Banks, secured	Nil	Nil	Nil	Nil

1. Security details

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

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

Borrowing facilities from Mashreq Bank PSC is secured by Standby Letter of Credit (SBLC) issued by Axis Bank Limited, from the secured working capital limits of the Company as mentioned above.

2. Interest rate

The interest rates on the borrowings during the year from Banks were in the form of Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WC DL), Bank Overdraft and Cash Credit, ranged from 0.50% p.a. to 7.66% p.a. (previous year 1.44% p.a. to 8.40% p.a.).

3. With respect to the borrowings from banks, on the basis of security of current assets, the quarterly returns / statements of current assets filed by the Company with banks are in agreement with the books of accounts.

14.1 Leases

The Group has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019, using the modified retrospective approach. The Group has lease contracts for various items of Building, Land and Office equipments used in its operations. There are several lease contracts that include extension and termination options and variable lease payments.

Disclosures in respect of Leases are given below:

a) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2022 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2021	568.97	7.80	9.51	0.13	0.72	-	579.20	7.93
Additions during the year	48.60	0.65	-	-	1.54	0.02	50.14	0.67
Deletions during the year - net	(8.06)	(0.11)	-	-	-	-	(8.06)	(0.11)
Depreciation charge for the year	(118.57)	(1.61)	(4.76)	(0.06)	(1.59)	(0.02)	(124.92)	(1.69)
Foreign exchange (gain) / loss	0.27	(0.20)	-	(0.01)	(0.01)	-	0.26	(0.21)
As at March 31, 2022	491.21	6.53	4.75	0.06	0.66	-	496.62	6.59

b) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2021 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2020	690.55	9.19	14.27	0.19	0.81	0.02	705.63	9.40
Additions during the year	10.71	0.15	-	-	1.59	0.02	12.30	0.17
Deletions during the year - net	(15.93)	(0.22)	-	-	-	-	(15.93)	(0.22)
Depreciation charge for the year	(122.83)	(1.68)	(4.76)	(0.06)	(1.68)	(0.02)	(129.27)	(1.76)
Foreign exchange (gain) / loss	6.47	0.36	-	-	-	(0.02)	6.47	0.34
As at March 31, 2021	568.97	7.80	9.51	0.13	0.72	-	579.20	7.93

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

14.1 Leases (Contd.)

c) The movement in lease liabilities during the year ended March 31, 2022 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2021	616.28	8.43	11.25	0.16	0.69	0.01	628.22	8.60
Additions during the year	47.65	0.63	-	-	1.54	0.02	49.19	0.65
Deletions during the year	(8.77)	(0.12)	-	-	-	-	(8.77)	(0.12)
Interest expense	51.28	0.69	0.80	0.01	0.03	-	52.11	0.70
Lease payments	(157.49)	(2.13)	(6.11)	(0.08)	(1.60)	(0.02)	(165.20)	(2.23)
Foreign exchange (gain) / loss	0.37	(0.22)	-	-	-	-	0.37	(0.22)
As at March 31, 2022	549.32	7.28	5.94	0.09	0.66	0.01	555.92	7.38

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

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2020	718.10	9.57	15.57	0.21	0.77	0.01	734.44	9.79
Additions during the year	10.71	0.15	-	-	1.59	0.02	12.30	0.17
Deletions during the year	(17.08)	(0.23)	-	-	-	-	(17.08)	(0.23)
Interest expense	59.74	0.81	1.23	0.02	0.04	-	61.01	0.83
Lease payments	(162.10)	(2.20)	(5.55)	(0.08)	(1.71)	(0.02)	(169.36)	(2.30)
Foreign exchange (gain) / loss	6.91	0.33	-	0.01	-	-	6.91	0.34
As at March 31, 2021	616.28	8.43	11.25	0.16	0.69	0.01	628.22	8.60

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Current	112.99	1.50	107.04	1.47
Non-current	442.93	5.88	521.18	7.13
Total	555.92	7.38	628.22	8.60

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

Particulars	March 31, 2022		March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Depreciation expense of right-of-use assets	124.92	1.69	129.27	1.76
Interest expense on lease liabilities	52.11	0.70	61.01	0.83
Expense relating to short term leases (included in Other expenses)	22.28	0.30	23.13	0.31
Expense relating to leases of low-value assets (included in Other expenses)	-	-	-	-
Variable lease payments (included in Other expenses)	6.91	0.09	5.68	0.08
Rent concessions	(4.30)	(0.06)	(4.19)	(0.06)
(Gain) / loss on lease termination	(0.70)	(0.01)	(1.10)	(0.02)
Total amount recognized in profit or loss	201.22	2.71	213.80	2.90

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

14.1 Leases (Contd.)

- f) The Group had total cash outflows (lease payments for ROU, variable lease, short term lease, net of rent concession) for leases during the year ended March 31, 2022 of Rs.190.09 Mln. USD 2.56 Mln.(previous year Rs.193.98 Mln. USD 2.63 Mln.).
- g) The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Less than 1 year	156.80	2.08	158.11	2.16
1 to 5 years	488.43	6.48	529.47	7.25
More than 5 years	66.55	0.88	145.35	1.99
	711.78	9.44	832.93	11.40

- h) The Group has entered into a lease contract, which will commence from a future period and hence the same is not considered in the measurement of lease liability. The value of future cash flows expected on an undiscounted basis during the term of the lease contract is Rs. 13.41 Mln. USD 0.18 Mln. as at March 31, 2022, (previous year Nil).

14.2 Trade payables

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current				
Total outstanding dues of creditors, other than micro and small enterprises	47.47	0.63	46.91	0.64
	47.47	0.63	46.91	0.64
Current				
Total outstanding dues of micro and small enterprises	26.52	0.35	9.29	0.13
Total outstanding dues of creditors, other than micro and small enterprises				
Trade payables - other related parties (refer note no.24)	10.94	0.15	-	-
Trade payables - others	655.01	8.69	554.30	7.59
	692.47	9.19	563.59	7.72

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

The disclosure with respect of dues to micro and small enterprises (MSME) are presented in Standalone Financial Statements and not repeated.

14.3 Trade payables ageing schedule

Particulars	As at March 31, 2022													
	Outstanding for following periods from due date of payment												Total	
	Unbilled		Not due		Less than 1 year		1-2 years		2-3 years		More than 3 years			
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current														
(i) MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	47.47	0.63	-	-	-	-	-	-	-	-	-	-	47.47	0.63
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	47.47	0.63	-	-	-	-	-	-	-	-	-	-	47.47	0.63
Current														
(i) MSME	-	-	26.33	0.35	0.19	-	-	-	-	-	-	-	26.52	0.35
(ii) Others	434.76	5.77	191.30	2.54	39.89	0.53	-	-	-	-	-	-	665.95	8.84
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	434.76	5.77	217.63	2.89	40.08	0.53	-	-	-	-	-	-	692.47	9.19

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

14.3 Trade payables ageing schedule (Contd.)

Particulars	As at March 31, 2021														Total	
	Outstanding for following periods from due date of payment												Total			
	Unbilled		Not due		Less than 1 year		1-2 years		2-3 years		More than 3 years				Rs. Mln.	USD Mln.
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.				
Non-current																
(i) MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Others	46.91	0.64	-	-	-	-	-	-	-	-	-	-	-	46.91	0.64	
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	46.91	0.64	-	-	-	-	-	-	-	-	-	-	-	46.91	0.64	
Current																
(i) MSME	-	-	9.29	0.13	-	-	-	-	-	-	-	-	-	9.29	0.13	
(ii) Others	377.10	5.16	131.73	1.81	45.47	0.62	-	-	-	-	-	-	-	554.30	7.59	
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	377.10	5.16	141.02	1.94	45.47	0.62	-	-	-	-	-	-	-	563.59	7.72	

14.4 Other financial liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Current				
Capital creditors	17.64	0.24	30.78	0.42
Rental advances	0.30	-	0.30	0.01
Foreign currency forward contract	0.21	-	-	-
Employee welfare payables	2.54	0.03	2.54	0.03
	20.69	0.27	33.62	0.46

15. PROVISIONS

Non-current				
Provision for gratuity (refer note no.20.1)	31.61	0.42	25.38	0.35
Provision for leave encashment and other retirals (refer note no.15.1)	222.84	2.96	208.76	2.85
	254.45	3.38	234.14	3.20
Current				
Provision for gratuity (refer note no.20.1)	6.02	0.08	0.94	0.01
Provision for leave encashment and other retirals (refer note no.15.1)	16.39	0.22	17.68	0.24
	22.41	0.30	18.62	0.25

15.1 The Group provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

16. OTHER LIABILITIES

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current				
Unearned revenue	14.14	0.19	103.50	1.42
Advance from customers	8.37	0.11	6.55	0.09
	22.51	0.30	110.05	1.51
Current				
Unearned revenue	838.01	11.13	728.35	9.97
Statutory dues payable	131.65	1.75	116.81	1.60
Expenses payable	155.47	2.07	205.24	3.00
Contract obligation	122.27	1.62	82.00	0.93
Advance from customers	3.38	0.04	5.40	0.07
	1,250.78	16.61	1,137.80	15.57

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

17. REVENUE FROM OPERATIONS - DISAGGREGATED

17.1 Product wise revenue

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Revenue from software products	2,167.32	29.35	2,987.12	40.50
Revenue from software services	3,109.57	42.12	3,164.95	42.92
Revenue from resale of software and hardware materials	34.13	0.46	110.99	1.50
	5,311.02	71.93	6,263.06	84.92

17.2 Geography wise revenue

Americas	1,326.70	17.97	1,465.43	19.87
Europe	303.83	4.12	349.95	4.75
APAC	1,729.51	23.42	2,323.53	31.50
India	1,233.72	16.71	1,487.06	20.18
Middle East and Africa	717.26	9.71	637.09	8.62
	5,311.02	71.93	6,263.06	84.92

17.3 Business unit wise revenue

ERP	1,740.56	23.57	2,341.10	31.74
HRP	1,886.51	25.55	2,035.17	27.60
Aviation	1,683.95	22.81	1,886.79	25.58
	5,311.02	71.93	6,263.06	84.92

17.4 Ind AS 115 – Revenue from contract with customers

The Company derives revenue from Software Solutions & Services. The accounting policies are mentioned in note no.3.1.c.

Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by various factors including termination, changes in scope of contracts, adjustments for revenue that are not materialized and adjustments for currency.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

17.4 Ind AS 115 – Revenue from contract with customers (Contd.)

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the following:

- a) the remaining performance obligation for contracts where revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date including time and material, support service and subscription contracts and
- b) the remaining performance obligation in respect of other contracts, since those performance obligations have an original expected duration of one year or less in most of the cases.

During the year ended March 31, 2022, the Group recognized revenue of Rs.563.36 Mln., USD 7.63 Mln. arising from opening unearned revenue of Rs.831.86 Mln., USD 11.39 Mln. as at April 01, 2021. During the year ended March 31, 2021, the Group recognized revenue of Rs.776.28 Mln., USD 10.53 Mln. arising from opening unearned revenue of Rs.856.81 Mln., USD 11.42 Mln. as at April 01, 2020.

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Contract price	5,329.03	72.17	6,315.40	85.63
Reduction towards implied financing component	(18.01)	(0.24)	(52.34)	(0.71)
Revenue recognized	5,311.02	71.93	6,263.06	84.92

18. FINANCE INCOME

Interest income - other than related parties	79.18	1.07	81.53	1.11
	79.18	1.07	81.53	1.11

19. OTHER INCOME

Government grant	9.32	0.12	60.70	0.82
Profit on sale of property, plant and equipments	0.06	-	0.35	-
Gain on termination of leased assets	0.79	0.01	1.13	0.02
Other income	3.40	0.05	1.94	0.03
	13.57	0.18	64.12	0.87

Government grant includes the grant from Economic Development Board of Singapore for a three-year period from Dec 2019 to Nov 2022, under the Innovation Development Scheme, by way of reimbursement of a portion of employee benefits expense and equipment for the project to develop specified new products / processes in Singapore (CY Rs. 7.02 Mln., USD 0.09 Mln., PY Rs. 19.89 Mln., USD 0.27 Mln.). It also includes Grants received primarily from Australia, Singapore and USA Governments towards job support schemes announced due to COVID-19 (CY Rs. 2.30 Mln., USD 0.03 Mln. and PY Rs. 40.80 Mln., USD 0.55 Mln.). This is treated as a "grant related to income" under Ind AS 20. Accordingly, the grant is shown under "other income" and the expenses related to this are shown under respective expense heads.

20. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Salaries, wages and bonus	2,724.74	36.90	2,561.50	34.73
Share based payments	(14.81)	(0.20)	(4.14)	(0.06)
Contribution to provident and other funds	95.23	1.29	84.68	1.15
Gratuity and other retirals	87.59	1.19	61.31	0.83
Staff welfare	65.99	0.89	58.22	0.79
	2,958.74	40.07	2,761.57	37.44

20.1 The defined benefit plan (Gratuity) details in respect of the Company is provided for in the Standalone Financial Statements note no.20.1. Obligations in respect of other subsidiaries wherever applicable under the local laws are accrued at actual and they are unfunded. Group has represented these values in the carrying amount as appearing in their Balance Sheet as there is no requirement for actuarial valuation in the respective countries.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

21. FINANCE COSTS

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Interest on loans	1.12	0.02	24.90	0.34
Interest on leased assets	52.11	0.70	61.01	0.83
Interest others	0.29	-	0.03	-
Other finance costs on loans	0.67	0.01	2.31	0.03
	54.19	0.73	88.25	1.20

22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	78.75	1.07	80.37	1.09
Depreciation on leased assets	124.92	1.69	129.27	1.76
Amortization of intangible assets	545.40	7.38	481.82	6.53
Impairment of intangible assets	4.11	0.06	-	-
	753.18	10.20	691.46	9.38

23. OTHER EXPENSES

Advertisement and sales promotion	145.26	1.97	109.58	1.48
Bank charges	11.71	0.16	15.29	0.21
Bad debts / provision for doubtful debts & advances, net	574.06	7.77	472.63	6.41
Consultancy charges	150.79	2.04	94.80	1.28
Corporate social responsibility expenditure	14.43	0.20	14.45	0.20
Foreign exchange fluctuation, net	14.12	0.19	(81.26)	(1.10)
Insurance	27.66	0.37	19.81	0.27
Loss on sale of property, plant and equipment	0.71	0.01	1.06	0.01
Loss on termination of leased assets	0.09	-	0.03	-
Office maintenance	21.72	0.29	22.18	0.30
Outsourcing costs	411.87	5.58	319.42	4.33
Power & fuel	21.37	0.29	19.60	0.27
Printing & stationery	3.11	0.04	3.06	0.04
Postage, telephone and communication	63.83	0.86	84.48	1.15
Rent	333.35	4.51	290.78	3.94
Repairs - building	3.39	0.05	0.25	-
Repairs - plant and machinery	78.77	1.07	57.76	0.78
Repairs - others	14.00	0.19	12.28	0.17
Rates and taxes	166.95	2.26	77.02	1.04
Sales commission and other selling expenses	60.37	0.82	27.98	0.38
Software subscription and maintenance	14.85	0.20	12.47	0.17
Travelling and conveyance	122.59	1.66	81.54	1.11
Miscellaneous expenses	107.34	1.46	73.10	0.99
	2,362.34	31.99	1,728.31	23.43

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

23.1 Movement in provision for doubtful debts & advances

Particulars	As At March 31, 2022		As At March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Balance at the beginning	529.75	7.26	349.08	4.65
Provisions for the year	574.06	7.77	472.63	6.41
Translation differences	8.56	(0.16)	5.48	0.23
Provision utilized for write off	(394.55)	(5.34)	(297.44)	(4.03)
Balance at the end	717.82	9.53	529.75	7.26

Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Provisions for the year	574.06	7.77	472.63	6.41
Provision utilized for write off reversed to P&L	(394.55)	(5.34)	(297.44)	(4.03)
Amounts written off	394.55	5.34	297.44	4.03
Bad debts / provision for doubtful debts & advances, net	574.06	7.77	472.63	6.41

24. RELATED PARTY TRANSACTIONS

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Key managerial personnel including those under Companies Act, 2013 (KMP)

1.	Mr. P R Venketrama Raja, Chairman	7.	Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
2.	Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director	8.	Mr. R S Agarwal, Independent Director
3.	Mr. Virender Aggarwal, Chief Executive Officer (till the date of his cessation)	9.	Mrs. Soundara Kumar, Independent Director
4.	Mr. R Ravi Kula Chandran, Chief Financial Officer	10.	Mr. Sankar Krishnan, Non-Independent Director
5.	Mr. N E Vijaya Raghavan, Company Secretary	11.	Justice Mr. P P S Janarthana Raja (Retd.), Independent Director
6.	Mr. M M Venkatachalam, Independent Director		

b. Relatives of KMP

1.	Mr. P R Venketrama Raja, Father of Mr. P V Abinav Ramasubramaniam Raja	4.	Mrs. R Sudarsanam, Mother of Mr. P R Venketrama Raja
2.	Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja	5.	Mrs. S Sarada Deepa, Sister of Mr. P R Venketrama Raja
3.	Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam Raja	6.	Mrs. R Nalina Ramalakshmi, Sister of Mr. P R Venketrama Raja

c. Employee benefit funds where control exists

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

24. Related party transactions (Contd.)

d. Enterprises over which KMP / relatives of KMP exercise significant influence

1.	Rajapalayam Mills Limited	18.	JKR Enterprises Limited
2.	The Ramco Cements Limited	19.	Gowrishankar Screws
3.	Ramco Industries Limited	20.	P A C R Sethurammam Charity Trust
4.	The Ramaraju Surgical Cotton Mills Limited	21.	P A C R Sethurammam Charities
5.	Sri Vishnu Shankar Mills Limited	22.	Rajapalayam Spinners Limited
6.	Sandhya Spinning Mill Limited	23.	Ramco Industrial and Technology Services Limited
7.	Thanjavur Spinning Mill Limited	24.	Madurai Trans Carrier Limited
8.	Sri Harini Textiles Limited	25.	Ramco Welfare Trust
9.	Swarna Boomi Estate	26.	Lynks Logistics Limited
10.	Thanga Vilas Estate	27.	Ramco Management Private Limited
11.	Rajapalayam Textile Limited	28.	Raja Charity Trust
12.	Shri Harini Media Limited	29.	P A C Ramasamy Raja Centenary Trust
13.	Sudarsanam Estate	30.	P A C Ramasamy Raja Education Charity Trust
14.	Shri Abhinava Vidyatheertha Seva Trust	31.	P A C Ramasamy Raja Polytechnic College
15.	Smt. Lingammal Ramaraju Shastra Prathista Trust	32.	P A C R Industrial Training Center
16.	The Ramco Cements Limited Educational and Charitable Trust	33.	Smt. Sethu Ramammal Vidya Mandir English Medium High School
17.	Gowrihouse Metal Works LLP		

e. Subsidiary companies

1.	Ramco Systems Corporation, USA	9.	Ramco Systems Australia Pty Ltd., Australia
2.	Ramco Systems Ltd., Switzerland	10.	Ramco System Inc., Philippines
3.	Ramco Systems Pte. Ltd., Singapore	11.	Ramco Systems (Shanghai) Co. Ltd., China
4.	Ramco Systems Sdn. Bhd., Malaysia	12.	Ramco System Vietnam Company Limited, Vietnam
5.	RSL Enterprise Solutions (Pty) Ltd., South Africa	13.	PT Ramco Systems Indonesia, Indonesia
6.	Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	14.	Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)
7.	Ramco Systems FZ-LLC, Dubai	15.	Ramco Software Japan Limited, Japan
8.	R S L Software Co. Ltd., Sudan	16.	Ramco Systems Defense and Security Incorporated, USA

f. Associate

1.	CityWorks (Pty.) Ltd., South Africa
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The group's transactions with the above related parties are given below:

Particulars	Transaction during the year 2021-22		Outstanding as at March 31, 2022		Transaction during the year 2020-21		Outstanding as at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Income from sale of goods & services								
The Ramco Cements Limited	150.30	2.04	-	-	107.99	1.46	-	-
Ramco Industries Limited	31.65	0.43	-	-	7.34	0.10	-	-
Rajapalayam Mills Limited	50.27	0.68	-	-	2.50	0.03	-	-
Rajapalayam Textile Limited	0.40	0.01	-	-	0.31	-	-	-
Sri Vishnu Shankar Mills Limited	1.43	0.02	-	-	1.13	0.02	-	-
Sandhya Spinning Mill Limited	1.11	0.02	-	-	0.82	0.01	-	-
Sri Harini Textiles Limited	-	-	-	-	0.22	-	-	-
The Ramaraju Surgical Cotton Mills Limited	2.30	0.03	-	-	2.13	0.03	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

24. Related party transactions (Contd.)

Particulars	Transaction during the year 2021-22		Outstanding as at March 31, 2022		Transaction during the year 2020-21		Outstanding as at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Sudarsanam Estate	0.07	-	-	-	0.16	-	-	-
Swarna Bhoomi Estate	0.04	-	-	-	0.10	-	-	-
Thanga Vilas Estate	0.04	-	-	-	0.12	-	-	-
Ramco Welfare Trust	0.23	-	-	-	0.15	-	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.14	-	-	-	0.17	-	-	-
The Ramco Cements Limited Educational and Charitable Trust	0.15	-	-	-	1.63	0.02	-	-
Gowrihouse Metal Works LLP	0.36	-	-	-	-	-	-	-
P A C R Sethurammam Charity Trust	0.36	-	0.06	-	0.49	0.01	-	-
P A C R Sethurammam Charities	0.19	-	-	-	0.12	-	-	-
Madurai Trans Carrier Limited	0.85	0.01	-	-	0.85	0.01	-	-
Ramco Industrial and Technology Services Limited	1.25	0.02	-	-	2.67	0.04	-	-
Lynks Logistics Limited	15.87	0.21	14.53	0.19	11.74	0.16	-	-
P A C Ramasamy Raja Centenary Trust	0.27	-	-	-	0.12	-	-	-
P A C Ramasamy Raja Education Charity Trust	0.19	-	-	-	0.04	-	-	-
CityWorks (Pty.) Ltd., South Africa	78.86	1.07	16.62	0.22	101.87	1.38	20.65	0.28
Cost of services availed								
Ramco Industrial and Technology Services Limited	96.53	1.30	3.85	0.05	83.10	1.13	6.52	0.09
The Ramco Cements Limited	20.40	0.28	-	-	-	-	-	-
Ramco Industries Limited	1.13	0.02	-	-	-	-	-	-
Bank Guarantee issued in favour of bankers/customers/vendors of								
i) Ramco Systems FZ-LLC, Dubai	-	-	68.71	0.91	-	-	65.00	0.89
ii) Ramco System Inc., Philippines	-	-	5.02	0.07	4.79	0.06	27.78	0.38
iii) Ramco Systems Australia Pty Ltd., Australia	-	-	7.36	0.10	-	-	7.06	0.10
Corporate guarantee issued in favour of customer(s) of								
i) Ramco Systems Australia Pty Ltd., Australia	-	-	696.48	9.25	-	-	668.43	9.15

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

24. Related party transactions (Contd.)

Particulars	Transaction during the year 2021-22		Outstanding as at March 31, 2022		Transaction during the year 2020-21		Outstanding as at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Rent expense								
The Ramco Cements Limited	92.99	1.26	7.09	0.09	92.99	1.26	-	-
Rajapalayam Mills Limited	0.08	-	-	-	0.08	-	-	-
Sitting fees								
Mr. P R Venketrama Raja	0.18	-	-	-	0.12	-	-	-
Mr. P V Abinav Ramasubramaniam Raja	0.18	-	-	-	0.12	-	-	-
Mr. M M Venkatachalam	0.33	-	-	-	0.27	-	-	-
Mr. A V Dharmakrishnan	0.33	-	-	-	0.24	-	-	-
Mr. R S Agarwal	0.36	-	-	-	0.27	-	-	-
Mrs. Soundara Kumar	0.36	-	-	-	0.27	-	-	-
Mr. Sankar Krishnan	0.27	-	-	-	0.24	-	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.36	-	-	-	0.27	-	-	-
CSR contribution								
Shri Abhinava Vidyatheertha Seva Trust	-	-	-	-	14.45	0.20	-	-
Remuneration								
Mr. P V Abinav Ramasubramaniam Raja	1.32	0.02	-	-	1.31	0.02	-	-
Mr. Virender Aggarwal (till the date of his cessation)	78.18	1.06	-	-	85.99	1.17	-	-
Mr. R Ravi Kula Chandran	10.85	0.15	-	-	8.80	0.12	-	-
Mr. N E Vijaya Raghavan	1.96	0.03	-	-	1.57	0.02	-	-
Contributions made								
Ramco Systems Limited employees group gratuity scheme	16.73	0.23	-	-	14.84	0.20	-	-
Ramco Systems Limited employees superannuation scheme	15.54	0.21	-	-	14.56	0.20	-	-

Notes:

- Ramco Systems FZ-LLC, Dubai, Ramco System Inc., Philippines and Ramco Systems Australia Pty Ltd., Australia have assumed obligations in terms of Bank Guarantees issued by their banks to their customers / vendors. However, the said bank guarantees are basis the counter guarantee issued by the banker of Ramco Systems Limited, India and hence no separate disclosures for these subsidiaries are made.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- The Transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free. The Group has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are generally 30 to 120 days.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

24. Related party transactions (Contd.)

d) Disclosure of Key Management Personnel remuneration in total and for each of the following categories:

Particulars	FY 2021-22		FY 2020-21	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Short – Term Benefits *	93.56	1.27	98.18	1.33
Defined Contribution Plan **	1.12	0.02	1.30	0.02
Defined Benefit Plan / Other Long-Term Benefits ***	-	-	-	-
Total	94.68	1.29	99.48	1.35

* It includes bonus, sitting fees, value of perquisites and fixed monthly remuneration in the form of commission (as applicable).

** It includes contribution to Provident fund / other pension funds, Superannuation, National Pension System and accrual of Gratuity.

*** Based on actual payment, if any.

25. DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments by category

Sl. No.	Particulars	Rs. Mln.					USD Mln.				
		Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
	As at March 31, 2022										
	Financial assets										
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23
3	Trade receivables	1,716.89	-	-	1,716.89	1,716.89	22.80	-	-	22.80	22.80
4	Cash & cash equivalents	128.06	-	-	128.06	128.06	1.70	-	-	1.70	1.70
5	Other financial assets	1,660.90	0.01	-	1,660.91	1,660.91	22.05	-	-	22.05	22.05
	Total	3,505.85	0.01	15.00	3,520.86	3,520.86	46.55	-	0.23	46.78	46.78
	Financial liabilities										
6	Borrowings	-	-	-	-	-	-	-	-	-	-
7	Lease liabilities	555.92	-	-	555.92	555.92	7.38	-	-	7.38	7.38
	Trade payables										
8	Total outstanding dues of micro and small enterprises	26.52	-	-	26.52	26.52	0.35	-	-	0.35	0.35
9	Total outstanding dues of creditors, other than micro and small enterprises	713.42	-	-	713.42	713.42	9.47	-	-	9.47	9.47
10	Other financial liabilities	20.48	0.21	-	20.69	20.69	0.27	-	-	0.27	0.27
	Total	1,316.34	0.21	-	1,316.55	1,316.55	17.47	-	-	17.47	17.47

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

25. Disclosure of fair value measurements (Contd.)

Sl. No.	Particulars	Rs. Mln.					USD Mln.				
		Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at March 31, 2021											
Financial assets											
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23
3	Trade receivables	1,834.96	-	-	1,834.96	1,834.96	25.11	-	-	25.11	25.11
4	Cash & cash equivalents	153.32	-	-	153.32	153.32	2.10	-	-	2.10	2.10
5	Other financial assets	2,343.01	-	-	2,343.01	2,343.01	32.08	-	-	32.08	32.08
	Total	4,331.29	-	15.00	4,346.29	4,346.29	59.29	-	0.23	59.52	59.52
Financial liabilities											
6	Borrowings	-	-	-	-	-	-	-	-	-	-
7	Lease liabilities	628.22	-	-	628.22	628.22	8.60	-	-	8.60	8.60
Trade payables											
8	Total outstanding dues of micro and small enterprises	9.29	-	-	9.29	9.29	0.13	-	-	0.13	0.13
9	Total outstanding dues of creditors, other than micro and small enterprises	601.21	-	-	601.21	601.21	8.23	-	-	8.23	8.23
10	Other financial liabilities	33.62	-	-	33.62	33.62	0.46	-	-	0.46	0.46
	Total	1,272.34	-	-	1,272.34	1,272.34	17.42	-	-	17.42	17.42

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2022 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
Financial Instruments at FVTPL								
Foreign currency forward contract	-	(0.20)	-	(0.20)	-	-	-	-

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2021 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
Financial Instruments at FVTPL								
Foreign currency forward contract	-	-	-	-	-	-	-	-

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

26. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital means the Total equity as per the Consolidated Balance Sheet. The primary objective of the Group's capital management is to maximize the shareholder's wealth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is Net debt divided by the Total equity.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings *	-	-	-	-
Less: Cash and cash equivalents #	-	-	-	-
Net debt (A)	-	-	-	-
Equity share capital	308.49	6.08	307.49	6.06
Other equity	5,497.69	71.03	6,210.99	83.19
Total equity (B)	5,806.18	77.11	6,518.48	89.25
Net debt / Equity (A / B)	-	-	-	-

* Though there have been borrowings during the years ended March 31, 2022 and March 31, 2021, the same have been repaid, thus making the borrowings nil, as at the year end.

not considered, since borrowings were nil.

In order to achieve the overall objective, the Group's capital management, amongst other things aims to ensure that it meets financial covenants if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest bearing loans / borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

27. CONTINGENT LIABILITIES AND COMMITMENTS

Sl. No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Contingent liabilities					
1	Bank guarantees issued by the bankers to the Company in favour of:				
	i) Bankers/customers/vendors, to the subsidiaries/overseas branches, as applicable (refer note no.24)	81.09	1.08	99.84	1.37
	ii) Others	15.59	0.19	28.27	0.39
2	Corporate Guarantee issued in favour of customers of subsidiaries (refer note no. 24)	696.48	9.25	668.43	9.15
3	Claims against the Group not acknowledged as debts				
a)	Disputed Tamil Nadu Value Added Tax demand				
	i) Relating to FY 2009-10 to FY 2013-14 and pending before The Honorable High Court of Madras	75.86	1.01	75.86	1.04
	ii) Relating to FY 2014-15 to FY 2017-18 in respect of which no demand notice has been received	26.73	0.35	26.73	0.37
b)	Disputed Value Added Tax demand, pending before The Deputy Commissioner of Sales Tax, Mumbai, FY 2012-13	0.09	-	0.09	-
c)	Disputed Service Tax demand, pending before The Commissioner of Service Tax, Appeals, Chennai	1.21	0.02	1.21	0.02
d)	Disputed GST demand				
	i) Relating to FY 2017-18 to FY 2019-20 pending before The Additional / Joint Commissioner of GST & Central Excise, Adjudication, Chennai	5.14	0.07	-	-
	ii) Relating to FY 2020-21 and FY 2021-22 for which no demand notice has been received	27.85	0.37	-	-
e)	Other litigations	92.08	1.22	40.06	0.55
Commitments					
	Estimated amount of contracts remaining to be executed on capital account and not provided for	3.71	0.05	36.74	0.50

Note:

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Board of Directors has constituted a Risk Management committee during the year, with responsibility including, formulation, monitoring and review of risk management policy, identification of risk mitigation measures and establishment of business continuity plan. The Company has already developed and implemented a risk management policy. The risk management systems are reviewed periodically. The Internal Audit reviews the risk management controls & procedures and reports to the Audit Committee.

The Group's financial risks comprise of market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and foreign currency risk.

A.1 Interest rate risk

The Group has borrowed debt at variable rates to finance its operations, which exposes it to interest rate risk. The Group's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

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

Particulars of average borrowing	FY 2021-22		FY 2020-21	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fixed rate borrowing	25.31	0.34	373.25	5.11
Variable rate borrowing	5.11	0.07	85.04	1.16

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2021-22 by Rs. 0.05 Mln. USD Nil. (FY 2020-21 by Rs.0.85 Mln., USD 0.01 Mln.).

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's transactions denominated in a foreign currency including trade receivables, unbilled revenues, trade payables and bank balances.

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

Foreign Currency	Trade receivables	Unbilled revenues	Trade payables	Bank balances	Total
USD Mln. *					
As at March 31, 2022	9.42	11.93	(0.32)	0.10	21.13
As at March 31, 2021	11.23	14.45	(0.42)	0.26	25.52
PHP Mln.					
As at March 31, 2022	12.10	116.78	-	-	128.88
As at March 31, 2021	1.76	116.57	-	-	118.33
EUR Mln.					
As at March 31, 2022	0.08	2.02	(0.49)	0.03	1.64
As at March 31, 2021	0.30	2.44	(0.55)	0.04	2.23

* Total includes USD 10.42 Mln. (Previous year USD 11.83 Mln.) pertaining to Dubai where the exchange risk of AED to USD is limited.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

28. Financial risk management objectives and policies (Contd.)

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

Foreign currency	As at March 31, 2022				As at March 31, 2021			
	Rs. Mln.		USD Mln.		Rs. Mln.		USD Mln.	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
USD	21.13	(21.13)	0.28	(0.28)	25.52	(25.52)	0.35	(0.35)
PHP	128.88	(128.88)	1.71	(1.71)	118.33	(118.33)	1.62	(1.62)
EUR	1.64	(1.64)	0.02	(0.02)	2.23	(2.23)	0.03	(0.03)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures :

- a. Availment of packing credit in foreign currency (PCFC), including entering into cross currency forward contracts in equivalent USD where the exposures are in other currencies. The exposure is nil for both March 31, 2022 and March 31, 2021.
- b. Entering into forward contracts which are not covered by PCFC, for such quantum as considered appropriate. The outstanding exposure in this regard is as follows:

Foreign currency	As at March 31, 2022			As at March 31, 2021		
	In Mln.	Rs. Mln.	USD Mln.	In Mln.	Rs. Mln.	USD Mln.
AUD	0.39	21.78	0.29	-	-	-
SGD	0.43	23.79	0.32	-	-	-
USD	0.26	19.58	0.26	-	-	-
CAD	0.09	5.38	0.07	-	-	-

The above outstanding forward contracts amounting to Rs. 70.53 Mln. have been converted at the closing rates as against the contracted value of Rs. 72.46 Mln. The accounting treatment followed for foreign exchange forward contracts is Mark to Market based and net loss of Rs. 0.20 Mln. has been considered in the P&L.

B. Credit risk

Credit risk is the risk of financial loss to the Group, if the customer or counterparty to the financial instruments or the supplier fail to meet its contractual obligations and arises principally from the Group's receivables and treasury operations.

Customer credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored and the Group creates a provision based on expected credit loss model.

B.1 Trade receivables, unbilled revenues, advance to suppliers and service providers

Trade receivables

Trade receivable of the Group represents the dues from its customers which are exposed to credit risk. The number of customers and percentage they owed exceeding USD 0.50 Mln. individually, out of the outstanding as at March 31, 2022, were 6 and 32% respectively (4 and 25% as at March 31, 2021).

Number of customers owing more than 10% of the accounts receivable is nil both as at March 31, 2022 and as at March 31, 2021.

Unbilled revenues

Unbilled Revenues (Unbilled licenses revenue grouped under financial asset and Unbilled services revenue grouped under non-financial assets i.e., other assets) of the Group are also exposed to risk in the event of the inability to bill the customer.

No single customer constituting more than 10% of the unbilled revenues both as at March 31, 2022 and as at March 31, 2021.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**28. Financial risk management objectives and policies (Contd.)****Advance to suppliers and service providers**

Advance to suppliers and service providers are also exposed to risk in the event of inability to adjust such advances from their billing or otherwise recover the same.

B.2 Credit risk exposure

The movement in provision for doubtful debts & advances is as below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Balance at the beginning	529.75	7.26	349.08	4.65
Provisions for the year	574.06	7.77	472.63	6.41
Translation differences	8.56	(0.16)	5.48	0.23
Provision utilized for write off	(394.55)	(5.34)	(297.44)	(4.03)
Balance at the end	717.82	9.53	529.75	7.26
Credit exposure (net of provisions)				
Trade receivables	1,716.89	22.80	1,834.96	25.11
Unbilled licenses revenue	1,562.78	20.75	2,231.95	30.55
Unbilled services revenue	1,145.67	15.21	1,248.29	17.09
Advance to suppliers and service providers	19.00	0.26	74.94	1.02

B.3 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Group is exposed to counterparty risk relating to deposits with banks and investments in mutual funds. The Group places its cash equivalents based on the creditworthiness of the financial institutions.

C. Liquidity risk

Liquidity Risks are those risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Financial arrangements

The Group has access to the following undrawn borrowing facilities:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Expiring within one year				
Bank cash credit / overdraft / packing credit / WCDL (subject to availability of drawing power at the time of draw)	1,755.15	23.30	1,755.80	24.03
Expiring beyond one year	Nil		Nil	

Maturities of financial liabilities

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at March 31, 2022						
Borrowings	-	-	-	-	-	-
Trade and other payables	713.16	9.46	47.47	0.63	760.63	10.09
Lease liabilities (on undiscounted basis)	156.80	2.08	554.98	7.36	711.78	9.44
Total	869.96	11.54	602.45	7.99	1,472.41	19.53

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

28. Financial risk management objectives and policies (Contd.)

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at March 31, 2021						
Borrowings	-	-	-	-	-	-
Trade and other payables	597.21	8.18	46.91	0.64	644.12	8.82
Lease liabilities (on undiscounted basis)	158.11	2.16	674.82	9.24	832.93	11.40
Total	755.32	10.34	721.73	9.88	1,477.05	20.22

29. The Group has only one operating segment viz., Software Solutions and Services and hence the segment reporting required under Ind AS 108 does not apply. However, the following information is provided as required under paragraph 31 of Ind AS 108.

29.1 Information regarding revenue from products and services and geographical areas

Please refer note nos. 17.1 & 17.2.

29.2 Information regarding specified non-current assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Property, plant and equipment				
India including overseas branches	182.73	2.43	166.50	2.28
Other countries	22.53	0.30	27.28	0.37
Right-of-use assets				
India including overseas branches	406.34	5.39	484.22	6.63
Other countries	90.28	1.20	94.98	1.30
Intangible assets				
India including overseas branches	2,859.42	37.96	2,625.38	35.93
Other countries	-	-	-	-
Others				
India including overseas branches	12.55	0.17	6.24	0.08
Other countries	1.16	0.02	1.25	0.02

29.3 Information regarding major customers

No Single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2022 and March 31, 2021.

30. STATUTORY GROUP INFORMATION

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated other comprehensive income	Rs. Mln.	As % to total comprehensive income	Rs. Mln.
Parent, Indian:								
Ramco Systems Limited								
Balance as at March 31, 2022	141.23%	8,248.21	68.12%	(499.71)	(89.96%)	(17.79)	72.50%	(517.50)
Balance as at March 31, 2021	133.84%	8,764.20	79.29%	442.25	(6.91%)	7.78	101.11%	450.03

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

30. Statutory group information (Contd.)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income		
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated other comprehensive income	Rs. Mln.	As % to total comprehensive income	Rs. Mln.	
Subsidiaries, Foreign:									
1	Ramco Systems Corporation, USA								
	Balance as at March 31, 2022	25.29%	1,476.69	(21.86%)	160.26	223.19%	44.14	(28.64%)	204.40
	Balance as at March 31, 2021	19.43%	1,272.28	64.81%	361.47	26.67%	(30.05)	74.46%	331.42
2	Ramco Systems Ltd., Switzerland								
	Balance as at March 31, 2022	4.00%	233.15	(1.43%)	10.51	48.02%	9.50	(2.81%)	20.01
	Balance as at March 31, 2021	3.25%	213.14	2.19%	12.21	2.25%	(2.53)	2.18%	9.68
3	Ramco Systems Pte. Ltd., Singapore								
	Balance as at March 31, 2022	(7.50%)	(437.87)	38.11%	(279.55)	(48.95%)	(9.68)	40.52%	(289.23)
	Balance as at March 31, 2021	(2.27%)	(148.64)	(36.72%)	(204.82)	0.10%	(0.12)	(46.04%)	(204.94)
4	Ramco Systems Sdn. Bhd., Malaysia								
	Balance as at March 31, 2022	(4.28%)	(249.81)	7.28%	(53.42)	(25.23%)	(4.99)	8.18%	(58.41)
	Balance as at March 31, 2021	(2.92%)	(191.40)	0.28%	1.57	0.88%	(0.99)	0.13%	0.58
5	RSL Enterprise Solutions (Pty) Ltd., South Africa								
	Balance as at March 31, 2022	0.25%	14.44	(2.87%)	21.08	4.45%	0.88	(3.08%)	21.96
	Balance as at March 31, 2021	0.60%	39.50	0.52%	2.92	(4.91%)	5.53	1.90%	8.45
6	Ramco Systems Canada Inc., Canada								
	Balance as at March 31, 2022	1.04%	60.83	(2.03%)	14.89	10.37%	2.05	(2.37%)	16.94
	Balance as at March 31, 2021	0.67%	43.89	2.66%	14.81	(2.74%)	3.09	4.02%	17.90
7	Ramco Systems FZ-LLC, Dubai								
	Balance as at March 31, 2022	10.56%	616.79	(1.74%)	12.79	95.88%	18.96	(4.45%)	31.75
	Balance as at March 31, 2021	8.93%	585.05	6.21%	34.64	14.03%	(15.80)	4.23%	18.84
8	R S L Software Co. Ltd., Sudan								
	Balance as at March 31, 2022	0.02%	1.23	(0.02%)	0.14	(0.86%)	(0.17)	(0.00%)	(0.03)
	Balance as at March 31, 2021	0.02%	1.27	3.21%	17.91	6.34%	(7.15)	2.42%	10.76
9	Ramco Systems Australia Pty Ltd., Australia								
	Balance as at March 31, 2022	(10.09%)	(589.07)	9.98%	(73.20)	(57.29%)	(11.33)	11.84%	(84.53)
	Balance as at March 31, 2021	(7.70%)	(504.54)	(7.88%)	(43.95)	67.89%	(76.49)	(27.06%)	(120.44)

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

30. Statutory group information (Contd.)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated other comprehensive income	Rs. Mln.	As % to total comprehensive income	Rs. Mln.
10 Ramco System Inc., Philippines								
Balance as at March 31, 2022	3.26%	190.68	(3.04%)	22.32	(40.20%)	(7.95)	(2.01%)	14.37
Balance as at March 31, 2021	2.69%	176.31	(5.08%)	(28.35)	(4.92%)	5.55	(5.12%)	(22.80)
11 Ramco Systems (Shanghai) Co. Ltd., China								
Balance as at March 31, 2022	(0.25%)	(14.44)	2.80%	(20.55)	(1.42%)	(0.28)	2.92%	(20.83)
Balance as at March 31, 2021	0.10%	6.40	(1.84%)	(10.25)	(0.03%)	0.04	(2.29%)	(10.21)
12 Ramco System Vietnam Company Limited, Vietnam								
Balance as at March 31, 2022	(0.03%)	(1.54)	0.45%	(3.32)	-	-	0.47%	(3.32)
Balance as at March 31, 2021	(0.09%)	(5.70)	(1.61%)	(8.95)	0.01%	(0.02)	(2.01%)	(8.97)
13 PT Ramco Systems Indonesia, Indonesia								
Balance as at March 31, 2022	(0.66%)	(38.80)	4.00%	(29.33)	(17.55%)	(3.47)	4.60%	(32.80)
Balance as at March 31, 2021	(0.69%)	(45.11)	(4.45%)	(24.80)	1.35%	(1.52)	(5.91%)	(26.32)
14 Ramco Systems Macau Limited, Macau								
Balance as at March 31, 2022	(0.01%)	(0.74)	0.03%	(0.23)	(0.10%)	(0.02)	0.04%	(0.25)
Balance as at March 31, 2021	(0.01%)	(0.50)	(0.01%)	(0.03)	(0.01%)	0.02	(0.00%)	(0.01)
15 Ramco Software Japan Limited, Japan								
Balance as at March 31, 2022	(0.04%)	(2.05)	1.15%	(8.41)	(0.30%)	(0.06)	1.19%	(8.47)
Balance as at March 31, 2021	NA	NA	NA	NA	NA	NA	NA	NA
16 Ramco Systems Defense and Security Incorporated, USA								
Balance as at March 31, 2022	0.05%	2.83	0.63%	(4.61)	(0.05%)	(0.01)	0.65%	(4.62)
Balance as at March 31, 2021	NA	NA	NA	NA	NA	NA	NA	NA
Non-controlling interests								
Balance as at March 31, 2022	(0.59%)	(34.26)	0.58%	(4.29)	-	-	0.60%	(4.29)
Balance as at March 31, 2021	(0.46%)	(29.97)	(1.65%)	(9.21)	-	-	(2.07%)	(9.21)

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

30. Statutory group information (Contd.)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated other comprehensive income	Rs. Mln.	As % to total comprehensive income	Rs. Mln.
Associate, Foreign								
Cityworks (Pty.) Ltd., South Africa								
Balance as at March 31, 2022	0.28%	16.38	(0.14%)	1.04	-	-	(0.15%)	1.04
Balance as at March 31, 2021	0.23%	15.35	0.06%	0.35	-	-	0.08%	0.35
Effect of inter company eliminations / adjustments								
Balance as at March 31, 2022	(62.53%)	(3,652.21)						
Balance as at March 31, 2021	(55.63%)	(3,643.07)						
Total Balance as at March 31, 2022	100%	5,840.44	100%	(733.59)	100%	19.78	100%	(713.81)
Balance as at March 31, 2021	100%	6,548.45	100%	557.77	100%	(112.66)	100%	445.11

31. IMPACT OF COVID-19

Due to the outbreak of COVID-19 and the intermittent lockdowns announced by Government of India and State Governments during the year, the Company's offices were closed in general and most of the employees were advised to work from home. The scenario was similar across our subsidiaries. There were restrictions / relaxations, and the operations are being carried on accordingly, in compliance with guidelines issued by various authorities with respect to following safety precautions like social distancing and prescribed hygiene standards. This scenario has impacted the business during the year resulting in lower order booking and negative growth.

However, the Group's capital and financial resources are well protected, though there was an impact on the revenue and profitability during the year. The liquidity position of the Group is adequate, and the Group continued to be debt free at the end of the year. The Group has been servicing its interim short-term debt obligations as per schedule on the due dates. The Group has sufficient liquidity / financial arrangements for the continuity of its business operations.

The Group is confident of its ability to serve its debt and other obligations in future as well. The Group is confident to raise funds that may be required in the future. The Group has got adequate internal financial controls commensurate with the size and nature of its operations and pertaining to financial reporting. There is no impact on the Group's supply chain. The Group does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

COVID-19 continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The Group has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non-financial assets and as per the current assessment of the Group, there is no material impact in respect of these in the preparation of the financial statements. However, the impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to monitor the uncertainties caused by COVID-19 to assess the impact on our future economic conditions.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

32. OTHER DISCLOSURES

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III by the Group:

- (a) Crypto Currency or Virtual Currency.
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (c) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilization of borrowed funds & share premium
 - iii. Discrepancy in utilization of borrowings
 - iv. Current maturity of long term borrowings
- (e) Registration of charges or satisfaction with Registrar of Companies to be filed beyond the statutory period.
- (f) Loans or advances in the nature of loans, granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment, other than to the subsidiaries as disclosed in the Standalone Financial Statements.

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

34. The figures in Rupees and USD have been rounded off to the Mln. with two decimals in current and previous year.

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 19, 2022

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary



RAMCO SYSTEMS LIMITED

REGISTERED OFFICE: 47, P S K NAGAR, RAJAPALAYAM - 626 108.
CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.
CIN: L72300TN1997PLC037550, E-mail : investorrelations@ramco.com
Website: www.ramco.com
PHONE: +91 44 2235 4510 / 6653 4000, Fax : +91 44 2235 2884

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting (“AGM”) of the Members of Ramco Systems Limited, will be held on Wednesday, August 10, 2022 at 3.00 p.m. through Video Conferencing / Other Audio Visual Means (VC), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the Report of the Board of Directors, Audited Separate (Standalone) Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

“**RESOLVED THAT** the Board’s Report and the Company’s Separate (Standalone) and Consolidated Audited Financial Statements for the year ended March 31, 2022 and the Auditors’ Reports thereon be and are hereby considered and adopted.”

2. To consider and appoint a Director in place of Mr. P R Venketrama Raja (DIN:00331406), who retires by rotation and being eligible, has offered himself for re-appointment:

“**RESOLVED THAT** Mr. P R Venketrama Raja (DIN: 00331406), who retires by rotation be and is hereby re-appointed as a Director of the Company.”

3. To consider and approve the re-appointment of M S Jagannathan & N Krishnaswami, Chartered Accountants, as Statutory Auditors for a second term of 5 consecutive financial years commencing from 2022-2023 and to hold office from the conclusion of 25th AGM until the conclusion of 30th AGM:

“**RESOLVED THAT** in terms of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) M S Jagannathan & N Krishnaswami, Chartered Accountants, holding Firm Registration No: 001208S be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (five) consecutive financial years commencing from 2022-23 and to hold office from the conclusion of 25th Annual General Meeting un-till the conclusion of the 30th Annual General Meeting to be held in the year 2027.

RESOLVED FURTHER THAT the Auditors shall be paid for the financial year 2022-23, a remuneration of Rs.20,00,000/- (Rupees Twenty lakhs only) (exclusive of applicable taxes and Out-of-pocket expenses) for statutory audit.

RESOLVED FURTHER THAT for the financial years 2023-24, 2024-25, 2025-26 and 2026-27, the Board of Directors is authorized to fix the remuneration based on the recommendation of the Audit Committee.”

RESOLVED FURTHER THAT the Board of Directors and/or the Chief Financial Officer and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

SPECIAL BUSINESS:

4. To consider and if though fit, pass the following resolution as a **SPECIAL RESOLUTION:**

To consider and approve the re-appointment of Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position Manager with the designation as Whole Time Director.

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. P V Abinav Ramasubramaniam Raja (DIN: 07273249), as a whole time key managerial personnel, in the position of Manager with the designation as Whole Time Director, for a period of 2 (two) years from June 04, 2022 to June 03, 2024 at a remuneration not exceeding 5% of the net profits of the Company, calculated as per Section 197(1), read with Section 198 of the Companies Act, 2013, with authority to the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, to alter and vary the terms of remuneration, as it may deem fit and to fix the quantum, composition and periodicity of the remuneration.

RESOLVED FURTHER THAT in case he draws remuneration as a whole time key managerial personnel from another Company, the quantum of remuneration payable by the Company shall be determined in such a manner that the total remuneration payable by both the Companies (in the aggregate) shall not exceed the higher maximum limit permissible for any one of the Companies.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, he shall be paid the minimum remuneration as may be determined by Board of Directors based on the recommendation of the Nomination and Remuneration Committee which shall have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration within the limit prescribed under (A) of Section II, Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT in addition to the above remuneration, he shall also be eligible for fees to attend Meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board, as provided in Section 197(5) of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. P V Abinav Ramasubramaniam Raja, shall not be liable to retire by rotation during his above specified tenure as Manager.”

5. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

To consider and approve the Employee Stock Option Scheme - 2022.

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory amendment thereto or re-enactment thereof), Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended from time to time, relevant provisions of the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing Statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate Regulatory Authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate Regulatory Authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the Members of the Company be and is hereby accorded for approval of Employee Stock Option Scheme – 2022 (hereinafter referred to as “ESOS 2022”/ “Scheme”) and the Board of Directors (hereinafter referred to as the “Board of Directors/the Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to create, grant, offer, issue and allot under the Scheme, in one or more tranches, not exceeding 15,00,000 (Fifteen lakhs) Employee Stock Options (“Options”), excluding the Options lapsed / forfeited / surrendered, which may be granted again, (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), to or for the benefit of Employees and Directors of the Company, its Group Company(ies) including its Subsidiary Company(ies) or its Associate Company(ies), in India or outside India, of the Company (as permitted under the applicable laws from time to time), (“Employees”) exercisable into not

more than 15,00,000 (Fifteen lakhs) Equity Shares (“Shares”) of face value of Rs. 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the Non-Executive Directors of the Company, excluding Independent Directors, be granted up to a maximum of 200,000 Options per annum and up to a maximum of 400,000 Options in the aggregate under the Scheme.

RESOLVED FURTHER THAT the Scheme shall be administered by the Nomination and Remuneration Committee (“Committee”) of the Company who shall have all the necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB & SE) Regulations for the purpose of administration and implementation of the Scheme.

RESOLVED FURTHER THAT the Scheme shall be implemented through direct route, for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

RESOLVED FURTHER THAT the Shares, to be issued and allotted by the Company under the Scheme shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB & SE) Regulations and other applicable Laws, Rules and Regulations be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorized to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

6. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

To consider and approve the grant of Stock Options to the employees of Group Company(ies) including its Subsidiary Company(ies) or its Associate Company(ies) in India and outside India of the Company under Employee Stock Option Scheme - 2022.

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory amendment thereto or re-enactment thereof), Regulation 6(3)(c) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended from time to time, relevant provisions of the Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and / or sanction(s) as may be necessary from the appropriate Regulatory Authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate Regulatory Authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board of Directors/the Board”) which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefits of Employees Stock Option Scheme – 2022 (hereinafter referred to

as “ESOS 2022”/ “Scheme”) including the grant of Employee Stock Options (“Options”) and issuance of Equity Shares (“Shares”) thereunder, to such Employees and Directors of the Group Company(ies) including its Subsidiary Company(ies) or its Associate Company(ies), in India or outside India, of the Company, (as permitted under the applicable laws from time to time), (“Employees”) on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the Shares, to be issued and allotted by the Company under the Scheme shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorized to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

By Order of the Board,
For RAMCO SYSTEMS LIMITED

P R VENKETRAMA RAJA

Chairman

Place : Chennai

Date : May 19, 2022

NOTES:

1. The Company has chosen to conduct this AGM through VC. The AGM would be conducted in compliance with the applicable provisions of the Companies Act, 2013 (“The Act”) read with Ministry of Corporate affairs (“MCA”) General Circular No. 02/2022 dated May 5, 2022 and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and such other instructions as may be issued by Statutory Authorities. Hence, Members can attend and participate in the ensuing AGM through VC.
2. Statement pursuant to Section 102 of the Act, setting out the material facts concerning each item of special business are annexed hereto. Information in respect of the Director seeking re-election as required to be disclosed under Regulation 36(3) and Information in respect of the Statutory Auditor re-appointment as required to be disclosed under Regulation 36(3) and 36(5) respectively of SEBI LODR are included in this notice.
3. Details pertaining to Item No.3 of this AGM Notice – Re-appointment of M S Jagannathan & N Krishnaswami, Chartered Accountants, as Statutory Auditors for a second term of 5 consecutive financial years is included in this notice.
4. Electronic copy of the Notice for the AGM and the Annual Report for the financial year (FY) 2021-22 are being sent to all the Members whose e-mail ids are registered with The Company/Depository Participants (“DP”). Dispatching of physical copies of the Financial Statements (including Board’s Report, Auditors’ Report or other documents required to be attached therewith), has been dispensed with. Such Statements are being sent only by email to the Members and to all other persons so entitled. The Notice and the Annual Report will also be available on the Company’s website – www.ramco.com for download and at the websites of Stock Exchanges Viz., BSE Limited (“BSE”) and National Stock Exchange of India Limited. (“NSE”), where the Company’s shares are listed. The AGM notice is also disseminated on the website of Central Depository Services (India) Limited (“CDSL”) (the agency appointed by the Company for providing the Remote e-voting facility, e-voting system during the AGM & participate in the AGM through the VC facility) i.e. www.evotingindia.com.
5. As this AGM is being held through VC as per MCA/SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form and attendance slip including Route Map are not annexed to this notice.

6. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their e-mail addresses updated with the DP are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their folio number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), ("RTA") in the URL <https://investors.cameoindia.com/> by writing to them at 'Subramanian Building,' No.1, Club House Road, Chennai 600 002, or by e-mail to investor@cameoindia.com.
7. As per Regulation 40 of SEBI LODR, securities of listed Companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for any assistance in this regard.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, permanent account number (pan), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP's in case the shares are held by them in electronic form and to RTA/Company in case the shares are held by them in physical form. The said changes related to physical shares to be intimated in prescribed Form ISR -1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said forms can be downloaded from the Company's website <https://www.ramco.com/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA/Company in case the shares are held in physical form.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated

January 25, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said forms can be downloaded from the Company's website <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA/Company in case the shares are held in physical form. It may be noted that any service request can be processed only after the folio is in KYC Compliant.

10. In accordance with Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said form can be downloaded from the Company's website www.ramco.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA/Company in case the shares are held in physical form.
11. The Register of Members and Share Transfer Books of the Company will remain closed from August 03, 2022 to August 10, 2022 (both days inclusive).
12. The Company is also releasing a public notice by way of advertisement being published in English in Business Standard (all editions) and in vernacular language in Makkal Kural (all editions), containing the following information:
 - a. Convening of AGM through VC in compliance with applicable provisions of the Act.
 - b. Date and Time of the AGM.
 - c. Availability of notice of the Meeting on the website of the Company and the Stock Exchanges, viz. BSE and NSE where the Company's shares are listed and at <https://www.evotingindia.com>
 - d. Requesting the Members who have not registered their e-mail addresses with the Company, to get the same registered with the RTA in the URL <https://investors.cameoindia.com/>. Members are

requested to register their email addresses with their DP in case the shares are held in dematerialized form.

- e. Reference to the link of the Company's website, providing access to the full annual report.
- 13. The cut-off date will be August 03, 2022 for determining the eligibility to vote by remote e-voting or in the AGM.
- 14. **Voting Through Electronic Means:**
 - 14.1 In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and circulars issued by MCA in this regard and Regulation 44 of SEBI LODR the Company is providing remote e-voting facility through the e-voting platform provided by CDSL to enable Members to exercise their right to vote at the 25th AGM by electronic means and the business may be transacted through such voting, through e-voting services provided by CDSL.
 - 14.2 The remote e-voting period begins at 9:00 a.m. on Sunday, the August 07, 2022 and ends at 05:00 p.m. on Tuesday, the August 09, 2022. During this

period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., on Wednesday, the August 03, 2022 may cast their vote electronically. The remote e-voting shall not be allowed beyond 5.00 p.m. on Tuesday, the August 09, 2022. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- 14.3 In terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with DP. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.
- 14.4 Pursuant to said SEBI Circular, Login method for e-voting and joining the AGM through VC for Individual Members holding securities in Demat mode are given below:

Type of Members	Login Method
Members holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of Members	Login Method
Members holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re- directed to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number holding with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting.
Members (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

14.5 Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 5533.
Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430

14.6 Login method for e-voting and joining the AGM through VC for Members other than individual shareholders holding in Demat form & for those holding in physical form:

- a. The Members should log on to the e-voting website www.evotingindia.com
 - b. Click on “Shareholders” module.
 - c. Now enter your User ID.
 - d. 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.

- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- g. If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric pan issued by income Tax Department (applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/DP are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend bank details OR Date of Birth (DOB)	Enter the Dividend bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the Member id / folio number in the Dividend bank details field as mentioned in instruction 14.6.

- h. After entering these details appropriately, click on "SUBMIT" tab.

- 14.7 Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 14.8 For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- 14.9 Click on the EVSN for Ramco Systems Limited on which you choose to vote.
- 14.10 On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 14.11 Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- 14.12 After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14.13 Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 14.14 You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- 14.15 If a demat account holder has forgotten the changed password then enter the User ID and captcha Code click on forgot password & enter the details as prompted by the system.
- 14.16 There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- 14.17 Facility for non-individual Members and custodians - Remote e-voting:
 - a. Non individual Members (i.e. other than individuals, HUF, NRI etc.) and custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - b. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian/ authorized person, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- f. Alternatively Non-individual Members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer at srinivasan.k@msjandnk.in and to the Company at the above mention email address of the Company, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

14.18 All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 5533.

15. Instructions for Members attending the AGM through VC & e-voting during the AGM are as under:

15.1 The Company would be providing the CDSL system for the Members to cast their vote through remote e-voting and participate in the AGM through VC. Members may access the same at <https://www.evotingindia.com> under shareholders/ Members login by using the remote e-voting credentials.

15.2 The procedure for attending Meeting & e-voting on the day of the AGM are the same as the instructions mentioned for Remote e-voting in point no.14.

15.3 The Members can join the AGM in the VC mode up to 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this notice. The facility of participation at the AGM through VC will be made available to at least 1000 Members on first come first served basis. This will not include Members holding 2% or more shareholding, promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM.

15.4 Members are requested to join the Meeting through laptops / iPad's for better experience and will be required to have webcam and use internet with a good speed to avoid any disturbance during the Meeting.

15.5 Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to

fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through laptop via Mobile Hotspot.

15.6 Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request at least 3 days prior to Meeting mentioning your name, demat account number /folio number, email id, mobile number (as registered with the DP/Company) to the mail id: investorrelations@ramco.com. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

15.7 Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to Meeting mentioning your name, demat account number/folio number, email id, mobile number to the mail id: investorrelations@ramco.com. These queries will be replied by the Company suitably by email.

15.8 Non-Individual Members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the Board Resolution authorizing their representative to attend on their behalf at the Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to srinivasan.k@msjandnk.in and helpdesk.evoting@cdslindia.com.

15.9 The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

15.10 The link for VC will be available in shareholder/ Members login where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting in point no.14.

15.11 The Members who have voted through Remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.

15.12 Only those Members, who are present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

15.13 If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the Meeting

through VC facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.

15.14 In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

16. Process for those Members whose email / mobile no. are not registered with the RTA / depositories:

- a. For physical shareholders - please provide your email id / mobile no. along with necessary details like folio no., name of the Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of AADHAAR Card) by email to the Company (investorrelations@ramco.com).
- b. For Demat shareholders, please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining the AGM through VC through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 5533.

17. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. August 03, 2022 may obtain the login ID and password by following the procedures mentioned in Point No: 14.4 to 14.6, as the case may be.

18. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 03, 2022.

19. Mr. K Srinivasan, Chartered Accountant (Membership No.021510), Partner, M S Jagannathan & N Krishnaswami, Chartered Accountants (email: srinivasan.k@msjandnk.in) has been appointed as the Scrutinizer to scrutinize the remote e-voting process, in a fair and transparent manner.

20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than forty eight hours of the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or 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.

21. 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. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

Place : Chennai
Date : May 19, 2022

P R VENKETRAMA RAJA
Chairman

EXPLANATORY STATEMENT

EXPLANATORY STATEMENT IN TERMS OF REGULATION 36(5) OF SEBI LODR:

Item No.3

Members at the 20th AGM of the Company held on August 04, 2017, had approved the appointment of M S Jagannathan & N Krishnaswami, Chartered Accountants, holding Firm Registration No: 001208S, as Statutory Auditors of the Company, to hold office till the conclusion of the 25th AGM.

In accordance with Section 139(2)(b) of the Act, the Audit Firm can be appointed as Auditors for a maximum of 2 terms of 5 consecutive financial years.

The Audit Committee at its meeting held on May 19, 2022 had reviewed the Auditors' independence, performance and effectiveness of the Audit process and found to be adequate for the Company's needs and purposes. Accordingly, they have recommended to the Board the re-appointment of Statutory Auditors of the Company.

Based on recommendation of the Audit Committee, the Board at its Meeting held on May 19, 2022, have approved the re-appointment of M S Jagannathan & N Krishnaswami, Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive financial years commencing from 2022-2023 and to hold office from the conclusion of 25th AGM un-till the conclusion of the 30th AGM to be held in the year 2027. The re-appointment is subject to approval of the Members of the Company. In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Act, read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and SEBI LODR, M S Jagannathan & N Krishnaswami, Chartered Accountants, have provided their consent and eligibility certificate to that effect that, their re-appointment, if made, would be in compliance with the applicable laws. They have also confirmed that they hold a valid peer review certificate issued by the Institute of Chartered Accountants of India, as required under Regulation 33(1)(d) of SEBI LODR. The proposed remuneration to be paid to Statutory Auditors, for the FY 2022-23 is Rs.20,00,000 (Rupees Twenty lakhs Only) (exclusive of applicable taxes and Out-of-pocket expenses) for statutory audit. The remuneration to be paid to Statutory Auditors during the second term for the financial years 2023-2024, 2024-2025, 2025-2026 and 2026-2027 would be in line with the above remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board on the recommendation of Audit Committee may alter and vary the terms and conditions of appointment, including remuneration from time to time.

The firm was formed in October 1967 as partnership after demerger of M S Krishnaswami & Jagannathan, Chartered Accountants, which was formed in 1920s. Firm is managed by the Managing Partner Mr. K Srinivasan, who has 40 years' of experience in practice with audit experience of large, medium and small corporate including banks as Central Auditor and Insurance companies. The firm has experience in providing consulting services to a very large Mumbai based enterprise. The firm also handles emerging Small Medium enterprises for Audit, Taxation and Consulting services. The firm holds a valid peer review certificate. The firm has undergone Quality Review by ICAI with respect to one client.

None of the Directors and Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the Resolution.

The Board recommends the resolution set out at **Item No. 3** of the Notice for approval by the Members by way of an Ordinary Resolution.

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE ACT:

Item No.4

Based on the recommendation of Nomination and Remuneration Committee (NRC) and approval of the Board of Directors, Members at the 20th AGM held on August 04, 2017, approved the appointment of Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director of the Company for a period 5 years commencing from June 04, 2017 to June 03, 2022. His monthly remuneration for the final year of the current term is Rs.110,000/-.

Considering his qualification, positive attributes, valuable contribution and the performance of the Company during the tenure of Mr. P.V. Abinav Ramasubramaniam Raja, the NRC at its Meeting held on April 29, 2022 had reviewed and recommended the re-appointment of Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position of Manager with the designation as Whole Time Director of the Company and the Board of Directors at their Meeting held on May 19, 2022, had approved the same, subject to the approval of the Members at the ensuing 25th AGM. The re-appointment is for a period of 2 years commencing from June 4, 2022 to June 3, 2024 He will not be considered as a Director who is liable to retire by rotation during his tenure as Manager.

Based on the recommendation of NRC, the Board has also approved the remuneration in accordance with Schedule V of the Act, which is as follows:

Terms of Remuneration:

- i. When the Company is having profit:

Up to 5% of the net profits of the Company, calculated as per Section 197(1), read with Section 198 of the Act.

- ii. When the Company is having no profit or inadequate profit:

If, in any financial year during the currency of his tenure, the Company has no profit or inadequate profit, the remuneration shall be paid as recommended / approved by the NRC and the Board, which shall have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration within the limit prescribed under (A) of Section II, Part II of Schedule V of the Act.

Based on the Company's effective capital as on March 31, 2022, the limit of yearly remuneration, for the first year of the tenure will be up to Rs.120 lakhs plus 0.01% of the effective capital in excess of Rs.250 cr.

- iii. Effective his date of re-appointment, the following remuneration shall be paid, which may be revised from time to time by the Board on the recommendation of NRC, within the overall limits approved by the Members.

Monthly fees for professional services amounting to Rs.110,000/- from June 04, 2022 to June 03, 2023 and thereafter as may be decided by the Board on the recommendation of NRC within the overall limits.

- iv. In addition to the above remuneration, he will also be eligible for any fee paid for attending Meetings of the

Board or Committees thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Act.

- v. Since Mr. P V Abinav Ramasubramaniam Raja is also the Managing Director of Ramco Industries Limited, his remuneration in any of the financial years during his tenure shall not exceed the higher of the maximum limit permissible under Schedule V of the Act, in any one of the Companies viz., Ramco Systems Limited and Ramco Industries Limited.

The appointment and the remuneration are in accordance with the applicable provisions of the Act, and the Rules made thereunder. Since the conditions stipulated in Schedule V of the Act, are fulfilled, approval of Government of India is not required.

Mr. P V Abinav Ramasubramaniam Raja is a Director in the following Companies:

1. Ramco Systems Limited
2. Ramco Industries Limited
3. Rajapalayam Mills Limited
4. Lynks Logistics Limited
5. Ramamandiram Management Consultancy Private Limited
6. L3 Enterprises Private Limited
7. RCDC Securities and Investments Private Limited

During the past three years, he has not resigned from the Directorship of any listed entities.

Mr. P V Abinav Ramasubramaniam Raja is a Member in the following Committees of the Board of the above said Companies:

Sl. No	Name of the Company	Name of the Committee	Position held (Member/ Chairman)
1.	Ramco Systems Limited	Stakeholder Relationship Committee	Member
		Allotment Committee	Member
		Fund Raising Committee	Member
2.	Rajapalayam Mills Limited	Corporate Social Responsibility Committee	Member
		Risk Management Committee	Member
3.	Ramco Industries Limited	Corporate Social Responsibility Committee	Member

He holds 110,332 equity shares in the Company.

Considering the responsibilities to be undertaken by Mr. P V Abinav Ramasubramaniam Raja and his suitability, the Directors recommend the special resolution for Members' approval.

Disclosure of Interest:

None of the Directors and Key Managerial Personnel except Mr. P R Venketrama Raja, Chairman, father of Mr. P V Abinav Ramasubramaniam Raja and Mr. P V Abinav Ramasubramaniam Raja as appointee may be deemed to be concerned or interested financially or otherwise in the Resolution.

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

I. General Information																																							
Nature of industry	Information Technology (Software Products)																																						
Date or expected date of commencement of commercial production	Company was incorporated on February 19, 1997 and the Certificate of Commencement of Business was dated June 19, 1997																																						
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																																						
Financial performance based on given indicators	<p>The details of the standalone financial performance of the Company are given below:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: right;">Rs. Mln.</th> </tr> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Revenue</th> <th style="text-align: center;">Net Profit / (Loss)</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td style="text-align: right;">2,900.08</td> <td style="text-align: right;">(499.71)</td> </tr> <tr> <td>2020-21</td> <td style="text-align: right;">3,543.58</td> <td style="text-align: right;">442.25</td> </tr> <tr> <td>2019-20</td> <td style="text-align: right;">3,197.56</td> <td style="text-align: right;">248.91</td> </tr> <tr> <td>2018-19</td> <td style="text-align: right;">3,245.01</td> <td style="text-align: right;">518.86</td> </tr> </tbody> </table> <p>The details of the consolidated financial performance of the Company are given below:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: right;">Rs. Mln.</th> </tr> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Revenue</th> <th style="text-align: center;">Net Profit / (Loss)</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td style="text-align: right;">5,403.77</td> <td style="text-align: right;">(733.59)</td> </tr> <tr> <td>2020-21</td> <td style="text-align: right;">6,408.71</td> <td style="text-align: right;">557.77</td> </tr> <tr> <td>2019-20</td> <td style="text-align: right;">5,780.87</td> <td style="text-align: right;">101.74</td> </tr> <tr> <td>2018-19</td> <td style="text-align: right;">5,517.98</td> <td style="text-align: right;">163.78</td> </tr> </tbody> </table>				Rs. Mln.		Year	Revenue	Net Profit / (Loss)	2021-22	2,900.08	(499.71)	2020-21	3,543.58	442.25	2019-20	3,197.56	248.91	2018-19	3,245.01	518.86		Rs. Mln.		Year	Revenue	Net Profit / (Loss)	2021-22	5,403.77	(733.59)	2020-21	6,408.71	557.77	2019-20	5,780.87	101.74	2018-19	5,517.98	163.78
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Foreign investments or collaborations, if any	The Company has been investing in its overseas subsidiaries. Currently, there are sixteen subsidiaries and the details of which are given in the Annual Report 2022 which accompanies this Notice.																																						
II. Information about the appointee																																							
Background details	Mr. P V Abinav Ramasubramaniam Raja is being appointed as a whole time key managerial personnel in the position of Manager with the designation as Whole Time Director of the Company. Further details are provided in this explanatory statement under Item 4.																																						
Past remuneration	Rs.1,320,000/- p.a.																																						
Recognition or awards	Nil																																						
Job profile and his suitability	Mr. P V Abinav Ramasubramaniam Raja, aged 28, is a graduate in Industrial Engineering from Northwestern University, USA and has undergone internship in Enam Holdings Private. Limited., Mumbai as Equity Research Analyst and in The Ramco Cements Limited, Chennai, as Summer Analyst. His areas of expertise includes Strategy Management and Business Management, knowledge in Information, technology and industrial engineering. He is also the Managing Director of Ramco Industries Limited from June 04, 2017.																																						
Remuneration proposed	Monthly fees for professional services amounting to Rs.110,000/- from June 04, 2022 to June 03, 2023 and thereafter as may be decided by the Board on the recommendation of NRC within the overall limits. Further details are provided in this explanatory statement under Item 4.																																						
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is lower than the remuneration of CEO / MD levels of similar sized Information Technology companies.																																						
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other Director, if any	<p>Besides the remuneration and sitting fees, Mr. P V Abinav Ramasubramaniam Raja does not have any other pecuniary relationship with the Company.</p> <p>He is the son of Mr. P R Venketrama Raja, Chairman of the Company.</p>																																						

III. Other information

Reasons of loss or inadequate profits	Though from FY 2014-15, the Company had consecutively made profits till FY 2020-21, during FY 2021-22, there was a loss on account of lower order booking and consequently the lower revenue, particularly in the Asia region, due to the impact of Covid. Approval of the Members is being sought for minimum remuneration during the tenure.
Steps taken or proposed to be taken for improvement	The Company continues to expand its diversified geographic business model, with focus on its key strategic business units, coupled with optimizing the cost and efficiencies, to improve the business performance.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future.

IV. Disclosure: As required, the information is provided under Corporate Governance Section of Annual Report 2022.

The Company had not made any default in repayment of its debt or interest payable thereon during the preceding FY 2021-22.

The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of SEBI LODR.

The Board recommends the resolution set out at **Item No. 4** of the Notice for approval by the Members by way of a Special Resolution.

Item No. 5 & 6

Equity based remuneration includes alignment of personal goals of the Employees with Organizational objectives by participating in the ownership of the Company. The Board of Directors of the Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the Employees and to create a sense of ownership and participation amongst them, the Board in its Meeting held on May 19, 2022, approved the Employees Stock Option Scheme – 2022 (“ESOS 2022” / “Scheme”) to or for the benefit of eligible employees as defined in the Scheme.

In terms of Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB & SE) Regulations”) and Section 62 and other applicable provisions, if any, of the Act, the issue of Equity Shares under an Employee Stock Options Scheme requires approval of the shareholders by way of a Special Resolution.

The Board recommends the resolution set out at **Item No. 5** of the Notice for approval by the Members by way of a Special Resolution.

Further, as per Regulation 6(3) (c) of SEBI (SBEB & SE) Regulations, approval of the shareholders by way of separate Special Resolution is also required for grant of Options to Employees of Group Company(ies) including Subsidiary Company(ies) or its Associate Company(ies), in India or outside India, of the Company.

The Board recommends the resolution set out at **Item No. 6** of the Notice for approval by the Members by way of a Special Resolution.

The salient features and brief terms & conditions of the Scheme as per Regulation 6(2) of the SEBI (SBEB & SE) Regulations, are as under:

i) Brief Description of the Scheme:

This Scheme shall be called as the “Employee Stock Option Scheme - 2022”

The purpose of the Scheme includes the followings:

- To motivate the Employees to contribute to the growth and profitability of the Company.
- To retain the Employees and reduce the attrition rate of the Company.
- To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.
- To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and
- To provide deferred rewards to Employees.

ii) Total Number of Stock Options to be granted under the Scheme:

The Options to be granted under the scheme is 1,500,000 (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company, as may be applicable from time to time) convertible into equal number of equity shares of Rs.10 each.

The aggregate Options so granted (including shares already allotted under the Scheme but excluding any granted Options that are lapsed/surrendered/forfeited – which can be added back) shall not result in the creation of more than 1,500,000 shares at any given point of time.

If any Options granted under the Scheme lapses or forfeited or surrendered, such Options shall be available for further grant under the Scheme.

iii) Identification of classes of employees entitled to participate in the ESOS 2022:

The Scheme shall extend to all the employees as designated by the Company, who is exclusively working in India or Outside India or a Directors of the Company, whether a Whole Time Director or not, including a Non-Executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or Employees of group companies including subsidiaries, or its Associate Companies, in India or outside India, of the Company (as permitted under the applicable laws)/ (present and future) as may be determined by the Nomination and Remuneration Committee ("NRC"), which is also be designated as Compensation Committee for this purpose as per SEBI (SBEB & SE) Regulations 2021. The Scheme shall also extend to new recruits of the Company and other above-mentioned companies.

The Scheme shall not extend to any Promoter or those belonging to the Promoters Group or to any Director, who either by himself or through his relative(s) or through any Body Corporate, directly or indirectly hold more than 10% of the outstanding equity shares.

iv) Requirements of vesting and period of vesting:

The continuation of employee in the services of the Company shall be the primary requirement of the vesting. The NRC shall formulate the other requirements of vesting which may inter-alia include efficiency or productivity criteria. The grant of Options shall be made as per the scheme as framed by the NRC. The minimum vesting period of an Option under the Scheme shall not be less than a period of 1 year from the date of grant(s) of Options and maximum vesting period shall not exceed ten (10) years from date of grant. The Options may vest in tranches subject to the terms and conditions as may be stipulated by the NRC generally/ time to time.

v) Maximum period within which the Options shall be vested:

Maximum period within which the Options shall vest, shall not exceed ten (10) years from date of grant.

vi) Exercise price or pricing formula:

As per SEBI (SBEB & SE) Regulations, 2021, the companies granting Options to its employees pursuant to ESOS 2022 will have the freedom to determine the exercise price subject to conforming to the relevant accounting policies as specified in the aforesaid Regulations, which specifies that any Options discount to the market price should be accounted for as deferred

employee compensation and amortized over the vesting period. (Option discount means the excess of the fair value of the share as on the date of grant of the Option under ESOS 2022 over the exercise price of the Options).

Subject to the above Clause, the Company has the freedom to price the Options. The exercise price in respect of each tranche of the Options shall not be less than the face value of the equity shares (which shall be calculated in accordance with the applicable law and if applicable, adjusted from time to time for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company) on the date of grant of Option. The NRC would fix the exercise price in accordance with the provisions of the SEBI (SBEB & SE) Regulations 2021 for the Options to be granted pursuant to this scheme from time to time.

Thus, the exercise price will be based upon the market price one day before the date of grant, and suitable discount can be provided by the NRC as per its own discretion.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date (the date of the Meeting of the Committee on which the Grant is made).

vii) Exercise period and process for exercise:

After vesting, the Options granted under ESOS 2022 can be exercised within a period of ten years from the date of vesting of the final lot. The Options shall become exercisable in part or whole, through Cash Mechanism after submitting the Exercise application along with payment of the Exercise Price, applicable taxes and other charges, if any.

viii) The appraisal process for determining the eligibility of employees to the ESOS 2022:

The eligible employees from each of the categories will be determined by the NRC. The NRC may prescribe different sets of criteria for each of the tranche of Options/ categories of the eligible employees with respect to the tranches, performance benchmark to be achieved, tenure of service etc., in respect of the Scheme.

ix) Maximum number of Options to be issued per employee and in aggregate:

The maximum number of Options that may be granted pursuant to this ESOS 2022 shall not exceed 1,500,000 (Fifteen lakhs) Options, excluding the grant of lapsed / forfeited / surrendered, which shall be convertible into equal number of Equity Shares.

The maximum number of Options granted to any one employee in a year will not be equal to or exceed 1%

of the issued equity share capital of the Company (excluding outstanding warrants and conversions) at the time of granting the Option. However, approval of the shareholders by way of separate resolution would be sought in case the Company proposes to grant Options to the identified employee(s) exceeding one percent of the Issued Share Capital of the Company.

x) The Maximum quantum of benefits to be provided per Employee under the scheme:

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Recognized Stock Exchanges as on the Date of Exercise of Options and the Exercise Price paid by the Employee.

xi) Implementation and administration of the Scheme:

The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow Cash Mechanism and not through a Trust.

The Scheme shall be administered by the NRC of the Company.

xii) New issue of shares by the Company vs secondary acquisition by the Trust or both:

The Scheme involves new issue of Equity Shares by the Company.

xiii) The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

Not applicable since the Scheme is proposed to be implemented by direct route.

xiv) The Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purposes of the Scheme:

Not applicable since the Scheme is proposed to be implemented by direct route.

xv) Disclosure and Accounting Policies:

The Company shall comply with the disclosure requirements and accounting policies specified in the SEBI (SBEB & SE) Regulations 2021, in respect of the Shares issued under ESOS 2022.

xvi) The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method.

As the Company is adopting fair value method, presently there is no additional requirement for disclosure in Director's Report. However, if in future, if the Company calculates the employee compensation cost using the intrinsic value of the stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Company shall also be disclosed in the Directors Report.

xvii) Statement with regard to Disclosure in Board's Report:

As the Company is adopting fair value method, presently there is no additional requirement for disclosure in Board's Report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Board's Report and the impact of this difference on profits/losses and on earnings per share ("EPS") of the Company shall also be disclosed in the Board's Report.

xviii) Period of lock-in:

The Shares allotted to the Grantees pursuant to Exercise of Options may be subject to such lock-in period from the date of allotment, as decided by the Committee.

xix) Terms and conditions for buyback, if any, of specified securities:

The NRC has the powers to determine the procedure for buy-back of Options granted under the Scheme, if to be undertaken at any time by the Company and the applicable terms and conditions, in accordance with the Applicable Laws.

Employees Stock Option Scheme – 2022 and other documents referred to in the aforesaid resolutions are available for inspection at the registered office of the Company.

None of the Directors, Key Managerial Personnel of the Company and any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the Options may be granted under the Scheme.

INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM :**ITEM NO: 2**

In accordance with the provisions of Section 152 of the Act, Mr. P R Venketrama Raja (DIN:00331406), Director, retires by rotation and is seeking re-appointment at the ensuing AGM.

Mr. P R Venketrama Raja, 63 years, Non-Executive & Non- Independent Director, holds a Bachelor's Degree in Chemical Engineering from University of Madras and a Master in Business Administration from University of Michigan, USA in 1983 and he has 3 decades of Industrial Experience with specific knowledge in sectors like information Technology, Cement and Textiles. He has been on the Board of Directors of the Company since inception 1997. He is a Member on the Board of several companies of well diversified Ramco Group including The Ramco Cements Limited. He is also the Chairperson of Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company. Mr. P R Venketrama Raja holds 3,353,366 shares in the Company, his spouse Mrs. P V Nirmala holds 17,902 shares and his son Mr. P V Abinav Ramasubramaniam Raja holds 110,332 shares in and his daughter Mrs. B Srisandhya Raju holds 110,067 shares in the Company as on March 31, 2022.

During the year, he has attended all the Meetings of the Board and majority Meetings of its Committees, where he is a Member. He is not related to Directors or Key Managerial Personnel of the Company except Whole Time Director Mr. P V Abinav Ramasubramaniam Raja, his son.

He is a Director in the following Companies: -

SI. No.	Names of the Entities	Nature of Interest
1.	Ramco Systems Limited	Chairman
2.	Rajapalayam Mills Limited	Chairman
3.	The Ramco Cements Limited	Chairman & Managing Director
4.	Ramco Industries Limited	Chairman
5.	The Ramaraju Surgical Cotton Mills Limited	Chairman
6.	Sandhya Spinning Mill Limited	Chairman
7.	Rajapalayam Textile Limited	Director
8.	Sri Vishnu Shankar Mills Limited	Chairman
9.	Lynks Logistics Limited	Director
10.	Ram Sandhya Farms Private Limited	Director
11.	Sri Sandhya Farms (India) Private Limited	Director
12.	Ramamandiram Agricultural Estate Private Limited	Director
13.	Nirmalashankar Farms & Estates Private Limited	Director
14.	Ramco Management Private Limited	Director
15.	Ramamandiram Management Consultancy Private Limited	Director
16.	RCDC Securities and Investments Private Limited	Chairman
17.	Ramco Systems Corporation, USA	Director
18.	Ramco Systems Canada Inc, Canada	Director
19.	Ramco Systems FZ LLC, Dubai	Director
20.	Ramco Systems Australia Pty Ltd.	Director
21.	Ramco Systems Ltd., Switzerland	Director
22.	Ramco Systems Sdn Bhd., Malaysia	Director
23.	RSL Enterprise Solutions (Pty) Ltd., South Africa	Director
24.	Sri Ramco Lanka (Private) Limited., Sri Lanka	Chairman
25.	Sri Ramco Roofings Lanka Private Limited- Sri Lanka	Chairman
26.	Ramco Systems Pte. Ltd., Singapore	Director
27.	Ramco Software Japan Limited	Director

He is a Member in the following Committees of the Board: -

Sl. No.	Name of the Company	Name of the Committee	Position
1.	Ramco Systems Limited	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Allotment Committee	Member
		Fund Raising Committee	Member
		Risk Management Committee	Chairman
2.	The Ramco Cements Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
		Nomination and Remuneration Committee	Member
3.	Ramco Industries Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Risk Management Committee	Chairman
4.	Rajapalayam Mills Limited	Stakeholders Relationship Committee	Chairman
		Risk Management Committee	Chairman
		Rights Issue Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
5.	The Ramaraju Surgical Cotton Mills Limited	Corporate Social Responsibility Committee	Chairman
		Stakeholders Relationship Committee	Chairman

Disclosure of Interest:

Except Mr. Venketrama Raja, being the appointee and Mr. P V Abinav Ramasubramaniam Raja, his son, none of the other Directors and Key Managerial personnel of the Company and their relatives or concerned or interested financially or otherwise in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of LODR.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

Place : Chennai
 Date : May 19, 2022

P R VENKETRAMA RAJA
 Chairman

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