

ramco erp on cloud



Redefining IT

Annual Report 2011 - 2012

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Ramco Systems Limited, India

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P R Ramasubrahmaneya Rajha



P R Venketrama Raja

Letter to Shareholders

A single dream is more powerful than a thousand realities.

Dear Shareholders,

It's been a while since we began our ERP journey way back in 1993, launching Marshall, our first ERP product. Since then, we've launched some highly successful products, and we've made the world take notice.

Looking back, the year 2011-12 has been an eventful one. We've had our share of product launches, new order wins, and customer acquisitions. Our R&D efforts have been paying off. We've had several repeat order wins from our existing customers, and that speaks volumes about our products and services. The industry too has acknowledged our efforts with prestigious awards and recognitions, and this has boosted our morale.

Our greatest achievement has been our Cloud presence, enabling mobility on platforms like the iOS, Android and Windows. Now, organizations need not be constrained by age-old rigid applications. Instead, they have the option of working from anywhere if their mobile devices are connected to their enterprise software.

All our modules, even the ones that are traditionally available only on the on-premise model, are now available on Cloud. In-depth vertical capabilities are also available on Cloud, even for organizations having complex operations. Several of our customers, worldwide, have already started phasing out their legacy applications, simply because they've found that Ramco ERP on Cloud is able to meet their most complex needs without any capital commitments.

The future does look bright for the Cloud and we're proud to find ourselves among the pioneers. At a time when some of the global giants are just waking up to the benefits of the Cloud, we are fully ready! After having redefined the Indian IT market space, our product has now matured enough to be deployed in other markets. In the coming year, we intend to consolidate our position in the APAC region, as well as in the Middle East and Africa. We are also stepping up our efforts in the North American and European markets. While the recession may appear to be a deterrent, it has in fact increased demand because companies are now looking for alternative technologies that are more cost-effective and that will also help them achieve greater flexibility. With its powerful enterprise framework, Ramco ERP on Cloud can cater to these demands.

Cloud opens up many opportunities, and in order to reach the global market effectively, we plan to step up our partner network. This will give us the right impetus to grow multifold and expand into new markets. Ramco's core focus will be to empower partners to drive sales and service customer needs.

With so many activities planned for every quarter in the coming year, there is a palpable sense of excitement at Ramco regarding the year ahead. To all our supporters—our shareholders, clients, partners and employees—thank you for your continuing support.

P R Ramasubrahmaneya Rajha
Chairman

P R Venketrama Raja
Vice Chairman & Managing Director

Corporate Theme

Value Co-creation

At Ramco, we believe that the best way for a company to differentiate itself from the others is to adopt 'value creation' as a way of life rather than treating it as a yet another management program. Creating value for all the stakeholders has become part of our culture and not just a one-off initiative. In an environment where partnerships are built on trust, where focus is on providing superior services and driving innovation, value creation has become a must. Our management is pursuing strategies that aggressively promote such value creation at all levels.

Customers

Today, we can proudly say that we are moving away from the traditional assumption that the company and customers have distinct roles, and the latter plays a passive role while evaluating software products and services. At Ramco, a customer is actively engaged and is welcomed with qualified expertise, insights, answers and solutions that are right for his business. Our software products and services are built over years of R&D ensuring that our customers find them evergreen. This is possible because of our collaborative solution innovation platform, Ramco VirtualWorks® and Ramco DecisionWorks™, which enables us to undertake product and process innovation, and address unique customer needs with ever-increasing speed and precision. We are trying to deliver value by offering solutions that inspire our customers' ideas and extend their capabilities to compete and win in their respective markets.

Employees

Ramco is constantly trying to ensure that all Ramcoites understand their role in creating value for the organization. This begins at the top and cascades down the entire organization so each individual understands the big question, "How does our company create value?" and the more relevant question, "How do my role and the daily decisions that I make impact value?" It is imperative that all individuals understand their role in value creation.

Working our way towards better employee welfare, Ramco increased compensation for those who showed commitment and exemplary skills, trained those who needed that extra push, and recruited fresh faces from premier engineering and business schools.

Partners

We value the importance of partners and associates in today's globalized business environment. Ramco's ecosystem of partners brings together diverse relationships, resources and communities to help us develop and deliver the next-gen solutions. Fostering collaboration around this need ensures ongoing innovation and value for everyone. Ramco periodically undertakes training and skill transfer programmes for its partners, to equip them to deliver the right solutions to customers. During the year Ramco conducted many such programmes. We are glad to mention that Ramco ERP on Cloud business has created a good ecosystem with 51 partners, who are relentlessly pursuing the business across India.

We believe it is a combination of everything which creates an environment where all entities exist harmoniously. We firmly believe that the path to success is by Co-creating Value and we are glad our customers, partners and employees have all along Co-created our success in every way.

Ramco Systems Limited, INDIA

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RAMCO SYSTEMS LIMITED

BOARD OF DIRECTORS

Shri P R RAMASUBRAHMANEYA RAJHA
Chairman

Shri P R VENKETRAMA RAJA
Vice Chairman & Managing Director

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

AUDITORS

Messrs CNGSN & ASSOCIATES
Chartered Accountants, Chennai

BANKERS

AXIS Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited
Punjab & Sind Bank
The Karur Vysya Bank Limited
HDFC Bank Limited
Corporation Bank
IndusInd Bank

REGISTERED OFFICE

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

CORPORATE OFFICE & RESEARCH AND DEVELOPMENT CENTRE

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

WEBSITE

www.ramco.com

SUBSIDIARIES

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

REGISTRAR AND SHARE TRANSFER AGENT

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

Ramco Systems Limited, INDIA

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

The standalone and consolidated audited financial results for the year ended 31st March, 2012 are as follows:

Particulars	Standalone for the year ended 31 st March, 2012		Consolidated for the year ended 31 st March, 2012	
	2011	2011	2011	2011
	(in Rs. Million)		(in USD Million)	
Revenue from Operations	1,518.24	1,504.02	47.26	45.16
Other Income	56.64	73.37	2.37	2.25
Total Revenue	1,574.88	1,577.39	49.63	47.41
Expenditure				
- Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	(15.90)	(0.55)	(0.31)	(0.01)
- Purchase of stock-in-trade	29.37	10.28	0.64	0.23
- Employee Benefit Expense	718.02	561.34	24.32	19.82
- Finance Costs	25.64	134.93	0.54	2.99
- Depreciation and Amortisation Expense	273.36	239.98	5.94	5.49
- Other Expenses	573.97	571.33	20.44	18.02
Total expenses	1,604.46	1,517.31	51.57	46.54
Profit / (Loss) Before Tax	(29.58)	60.08	(1.94)	0.87
Tax Expenses				
- Current Tax	-	12.38	(0.10)	0.37
- Deferred Tax	-	-	-	0.06
Profit / (Loss) After Tax and Before Minority Interest & Equity in Earnings	(29.58)	47.70	(1.84)	0.44
Minority Interest	-	-	0.04	(0.01)
Equity in Earnings of Affiliates	-	-	(0.09)	0.08
Profit / (Loss) for the year	(29.58)	47.70	(1.89)	0.51

2. BUSINESS OPERATIONS

At a time when customers, globally, are looking for solutions to empower their businesses and achieve greater economies of scale, our years of investment in Cloud technologies has ensured that we have the right set of solutions delivered on the most appropriate Cloud model—public or private, to tap into this growing demand. Our products have matured over the years and customer feedback has been encouraging. We believe this will open up a multitude of opportunities for us in the coming years and we shall be known as the most versatile and strong 'Cloud' company.

Our success on the Cloud has been mainly because of Ramco VirtualWorks® and Ramco DecisionWorks™ our revolutionary enterprise application and analytics assembly and delivery platform on the Cloud. This is helping us enable our customers gain the crucial competitive edge they need in this demanding business environment by going on-board with a full-featured ERP solution within a few weeks.

Looking back, the year 2011-12 has been an eventful year for us marked by product launches, new order wins, and customer acquisitions. We consolidated our existing strengths in the Cloud Application and Analytics domain to make our presence felt. Overall, we recorded a modest growth this year. We've also won several repeat orders from our existing customers, which speaks volumes about the service that we have been able to deliver to them.

It is owing to the prowess of our solutions that we bagged the esteemed Watts S Humphrey award for Software Quality and Process Improvement at the SPI Conference 2011, organised by Software Process Improvement Network (SPIN), Chennai. The PCQuest Users' Choice Awards 2011 also ranked Ramco ERP as enjoying the highest brand loyalty amongst its SME customers.

Ramco Systems Limited, INDIA

Our Cloud ERP offering has continued to garner the market momentum. We are witnessing good interest among some of the larger companies. The key differentiator for Ramco ERP on the Cloud, which sets it apart from the other Cloud-based ERP solutions, is its comprehensiveness and ability to automate just about every process of a business—end-to-end. It is the single instance of software that is fully competent to serve a range of industries and verticals.

After its success in the Indian market, we are now all set to take it to the global markets.

We have also entered into strategic business tie-ups with large telecom companies like Airtel.

A Key product Ramco Enterprise Series (RES), the traditional ERP solution, continued to grow at a satisfying pace. We have received good orders for RES from India and Africa. Despite the slowdown, we have received good traction for this product in the US market as well. In addition to this, our strategy to focus on high-growth, high-potential verticals such as Logistics, Banking and Cement is paying results. This product line is now completely on the cloud and will play a Key role in enabling the Cloud strategy of large companies.

Ramco Aviation Suite, which is one of our strongest product lines, continued to expand its reach globally with significant wins. Mature markets such as the US and European nations are slowly coming out of the recession mode and we are hopeful that this sector will open up a huge opportunity area for us.

Another breakthrough that we'd like to celebrate is the order win that we've had in Banking Analytics. We have closed some very prestigious orders in the year gone by. In light of the Reserve Bank of India's ADF (Automated Data Flow) mandate, we are uniquely positioned to offer a comprehensive, flexible ADF solution and in the coming days, we can expect good traction for our ADF solution. Apart from this, we are looking forward to making significant forays in the Middle East and APAC markets.

As regards our managed services business, we are receiving good interest from big leaders, especially for HR and payroll. Ramco's BPO operations once again secured an award for Operational Excellence & Quality at the event hosted by Employer Branding Institute; World HRD Congress & Stars of the Industry Group, with CMO Asia as Strategic Partner and held at Singapore.

Going forward, our focus would be to increase our footprint, globally, especially with our Cloud offering. Considering we have a broad array of solutions to address the latent market demands, we are confident of many strategic wins and growth in the years ahead.

3. INFORMATION ON SUBSIDIARIES

During the year the Company incorporated a wholly-owned subsidiary in Dubai named Ramco Systems FZ-LLC. The Company is in the process of incorporating another wholly-owned subsidiary in Sudan named RSL Software Company Limited and as on 31st March, 2012, the Company has not made any capital contribution. In addition to this, the Company has the following six subsidiaries, Ramco Systems Corporation., USA; Ramco Systems Limited., Switzerland; Ramco Systems Pte. Ltd., Singapore; Ramco Systems Sdn. Bhd., Malaysia; RSL Enterprise Solutions (Pty) Ltd., South Africa and Ramco Systems Canada Inc., Canada (step down subsidiary of Ramco System Corporation., USA).

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

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

The Global consolidated financial statement for the year ending 31st March 2012 in accordance with the Notification No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA) together with the Auditors Report thereon is presented in this Report.

MCA had issued a General Circular No. 2/2011 dated 8th February, 2011, granting exemption to all companies from the provisions of Section 212, subject to compliance with conditions mentioned in the said circular. Among other things, the said circular requires the presentation of Audited consolidated financial statement of the holding company and all the subsidiaries in compliance with the applicable Accounting Standards and Listing Agreement in the Annual Report. In



line with this, the Global consolidated financial statements consolidating the financial statements of the Company and its seven subsidiaries viz., Ramco Systems Corporation., USA, Ramco Systems Limited., Switzerland, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Sdn. Bhd., Malaysia, RSL Enterprise Solutions (Pty) Ltd., South Africa, Ramco Systems FZ-LLC., Dubai, and Ramco Systems Canada Inc., Canada (step down subsidiary of Ramco System Corporation., USA) are presented. Consequently, the Financial Statements of these Subsidiaries are not attached.

Further, the Annual Accounts of the subsidiaries and the related detailed information will be made available to the Shareholders of the Company and its subsidiaries seeking such information at any point of time and the same shall be kept for inspection by any Shareholder at the Corporate Office of the Company.

5. CHANGES IN CAPITAL STRUCTURE

During the Financial Year 2011-12, the Share Capital of the Company has undergone change to the extent of allotment of shares to eligible employees under the Company's Employee Stock Option Scheme, 2008 (ESOS 2008). The Company has allotted a total of 15,359 equity shares to the employees of the Company and its Subsidiaries during the year pursuant to exercise of the vested options under ESOS 2008.

The following table presents the allotment of equity shares by the allotment committee of the Board under ESOS 2008 during the year under review:

Date of allotment	No. of Shares Allotted
11 th April, 2011	4,067
23 rd May, 2011	5,473
10 th August, 2011	3,195
20 th October, 2011	465
16 th March, 2012	2,159
Total	15,359

Consequent to the above allotments the paid up equity share capital of the Company has increased from Rs. 15,50,13,840 to Rs. 15,51,67,430. divided into 1,55,16,743 equity shares of Rs.10 each.

6. RIGHTS ISSUE 2010

The Board of Directors of the Company had in their meeting held on 2nd August, 2010 approved a Rights Issue of equity shares to raise up to Rs. 40 Crores ("Rights Issue") and constituted a Committee of Directors named "Rights Issue (2010) Committee" to finalize the modalities and steps involved in the Rights Issue. Thereafter, the Company filed the Draft Letter of Offer (DLOF) with the Securities and Exchange Board of India (SEBI), Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Madras Stock Exchange Limited (MSE), and obtained in-principle approval from BSE, NSE and MSE for listing the Equity Shares arising from the Issue.

However the Board of Directors of the Company, vide a circular resolution passed on 22nd December, 2011, decided not to proceed with the proposed rights issue on account of unfavorable market conditions and hence, approved the withdrawal of the Draft Letter of Offer and further approved dissolution of Rights Issue (2010) committee. Accordingly, the DLOF filed with SEBI /Stock Exchanges was withdrawn on 22nd December, 2011 and the Rights Issue (2010) committee stands dissolved.

7. RESEARCH AND DEVELOPMENT

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

Ramco ERP on Cloud

The year 2011-12 saw the consolidation of Ramco ERP on Cloud as the Market Leader of SaaS (Software as Service) based ERP in India. The addition of newer modules and over 300+ market driven features are the hallmark of this year's achievement. The rapid adoption of the technology tools such as extension screens and portlets helped the user community derive immense business benefits.

Ramco Systems Limited, INDIA

Maintenance Management solution provides an integrated solution for handling maintenance needs of the organization. Organizations can effectively identify, record, track and execute maintenance needs of its assets. The solution will help organizations plan and schedule maintenance activities to prevent or predict failures and ensure that the machinery in the organization is geared to meet the production challenges without any disruption.

The integrated Warranty Claim Processing and Management solution helps organizations reduce the warranty costs and effectively analyse the reasons for the failure and identify their root cause. The solution provides complete visibility on claim process and provides a comprehensive analysis of the quality issues. The solution will help organizations take a unified approach to increase overall product quality, driving down claims and operational cost.

The comprehensive process manufacturing helps gain end to end visibility across the manufacturing cycle and allow the user to take full control of shop floor and exercise stringent control over materials, products and processes while adhering to quality and safety.

The recent enhancement in HRMS (Human Resource Management System) solution enables maintaining inventory of organizational competencies under different competency groups. Mapping Position and Job wise competencies with Minimum Desired Proficiency Levels (MDPL) and weightage is provided along with suggested developmental action.

Recruitment & Selection process provides comprehensive solution for providing hiring specifications, defining sourcing strategy, applicant profiling and tracking.

Career planning solution enables organisation to define career tracks for different streams. As part of the overall career management process, the solution supports defining career plans with timeframes, specify development needs and monitor actual progress.

With the introduction of version 2.0, the users are able to view and analyse the data using rich portlets. These portlets that can be user configured provide the best in class visually pleasing data representation in various graphical and pictorial formats. Ramco ERP on Cloud, is now available on any of the tablets and the entire application can be accessed on IPAD.

Ramco Enterprise Series

Ramco Enterprise Series, version 5.0 (ReS 5.0) was enhanced to address the various needs of the industries like Infrastructure, Real Estate, along with features like User-Finance Book Mapping, Operational Checklist in Supply Chain Transactions. The Project Management Solutions has been enhanced to support Project Progress Reporting, Project-wise Trial Balance. Additional features like Automatic Reconciliation of Inter-Finance Book, Multi-Level Authorization in Supply Chain Management (SCM) were also done. The Application is seamlessly integrated with Ramco's Portal development Kit with prebuilt portlets. In Human Capital Management (HCM) application, Malaysia Statutory, Thailand Statutory modules were added to handle the processing of the respective statutory components in Payroll. Time Sheet and Project tracking module were enhanced to handle Rate card based billing, Consolidation, Invoicing and Salary allocation. Performance Management's capability was enhanced to view the employee's performance versus potential as a 9 box view.

During the last financial year, Ramco has continued its investment in series 5 of Ramco Aviation M&E and MRO solution. The Solution has been enhanced to address the needs of heavy and independent MROs with a specific focus on engine maintenance. Advanced capabilities have been brought in the Order to Cash cycle. With this enhancement, multiple steps in the Order to Cash cycle have been automated with the invoice getting generated automatically based on the maintenance carried out. Continuing on our commitment to improve user experience, the Goods Inward transaction has been enhanced by applying user centric design concepts. This solution is scheduled to be released shortly and is expected to significantly improve the TAT (Turn Around Time) of shops.

Ramco VirtualWorks®

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



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

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

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

Ramco DecisionWorks™

This year the analytics group has moved up on the delivery value chain by releasing distinct prepackaged analytics products covering various verticals and with significant enhancements to platform facilitating faster implementation, and value realization for Ramco and customers. The following are the highlights across the four product lines viz., Ramco DecisionWorks™ (the Platform), Ramco Banking Analytics (Banking Vertical), Ramco Aviation Analytics (Aviation Vertical) and Ramco Cloud Analytics (integrated with OnDemand ERP).

Ramco DecisionWorks™ release version 9 includes significant enhancements covering usability, performance and functionality. The notable enhancement themes covered are Automated Data Flow infrastructure components viz., Workflow, Content Works, Rule engine, XBRL reporting, Data Traceability etc, Analytical reporting workbench enhancements, intelligent reporting infrastructure, richer visualizations enabled through integration with Ramco's portal development kit and enablement on devices like IPAD.

8. GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

The Ministry of Corporate Affairs' "Green Initiative in the Corporate Governance" allows paperless compliances by the companies vide circular nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively. Recently, the Listing Agreement was also amended permitting listed companies to send soft copies of the Annual report to all those shareholders who have registered their email addresses with the Depository Participant (DP). Pursuant to this, the Company is sending the electronic copy of the Annual Report 2011-12 along with the notice and proxy form to the registered e-mail address of members who have updated it with the DP. Members will be furnished, free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto upon receipt of requisition at any time. Further, full text of the above said documents will be displayed on the website of the Company, www.ramco.com.

Members holding shares in electronic mode are therefore requested to ensure to keep their E-Mail addresses updated with the DP. Members holding shares in physical mode are also requested to provide the E-Mail address, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), by writing to them at Subramanian Building, No.1, Club House Road, Mount Road, Chennai 600 002, or by E-Mail to investor@cameoindia.com.

9. FIXED DEPOSIT

Your Company has not accepted any fixed deposits during the year.

10. BOARD OF DIRECTORS AND COMMITTEES

As per Section 255 and 256 of the Companies Act, 1956 Shri S S Ramachandra Raja, Shri V Jagadisan and Shri R S Agarwal, Directors, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The Board of Directors recommend the above re-appointments for approval of the members.

Ramco Systems Limited, INDIA

The brief resume and other details relating to the directors, as stipulated under Clause 49(IV) (G) of the Listing Agreement, are furnished in the Notice of Annual General Meeting being sent to the members along with this Annual Report.

The Company has the following Committees of the Board:

- (a) Audit Committee
- (b) Shareholders Committee
- (c) Remuneration Committee
- (d) Compensation Committee
- (e) Allotment Committee

Details about constitution, composition and terms of reference of the above referred Committees are elaborated in the Report on Corporate Governance which is annexed to, and forms part of, this report.

11. AUDITORS

M/s. CNGSN & Associates, Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and being eligible pursuant to the provisions of the Companies Act, 1956 and the provisions of Clause 41 of the listing agreement, offer themselves for re-appointment. The Board of Directors recommend the Auditor's re-appointment for approval of the Members.

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

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

13. EMPLOYEE PARTICULARS

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

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

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

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

The Company has also implemented the following Employee Share Purchase Schemes (ESPS):

- (A) Employee Share Purchase Plan, 1999 (ESPP 1999)
- (B) Employee Stock Purchase Scheme, 2004 (ESPS 2004)



Details regarding the above mentioned schemes along with their status as per the requirements of SEBI (ESOS & ESPS) Guidelines, 1999, are annexed to, and forms part of, this report (Refer ANNEXURE B). Further, a certificate from Statutory Auditors, with respect to implementation of the above Employee Stock Option Schemes in accordance with SEBI Guidelines and the resolution passed by the members of the Company, would be placed before the Members at the ensuing Annual General Meeting, and a copy of the same shall be available for inspection at the Corporate Office of the Company.

15. CORPORATE GOVERNANCE REPORT & AUDITORS CERTIFICATE

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

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

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

17. MILESTONES ACHIEVED DURING THE YEAR 2011-12

The Milestones achieved during the year 2011-12 are enclosed (Refer ANNEXURE G).

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- that the selected Accounting Policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Annual Accounts were prepared for the Financial Year ended 31st March, 2012 on a going concern basis.

ACKNOWLEDGEMENT

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

For and on Behalf of the Board

Place: Chennai
Date : 24th May, 2012

P R RAMASUBRAHMANEYA RAJHA
CHAIRMAN

Ramco Systems Limited, INDIA

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

ANNEXURE A

In terms of Section 217(1)(e) of the Companies Act, 1956, and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the following information is furnished for the year ended 31st March, 2012.

(A) Conservation of Energy	:	The operations of the Company are not energy intensive and hence Form A is not presented
(B) Technology Absorption	:	Particulars given in Form B
(C) Foreign Exchange Earnings and Outgo		
i) Activities Relating to Export	:	Export of Computer Software & Services to the US, Europe, Canada, Middle East, ASEAN, North & South Africa
ii) Initiatives taken to increase exports	:	Marketing efforts are being made in the subsidiaries and branches abroad to increase sales and corresponding exports.
iii) Development of new export market for products and services	:	Marketing efforts are being made in geographies like Northern & Southern Africa, Middle East and ASEAN.
iv) Total foreign exchange used (Rs. mln)	:	82.35
v) Total Foreign Exchange Earnings (Rs. mln)	:	482.95

Form B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

SPECIAL AREAS IN WHICH THE COMPANY CARRIES OUT R&D – Ramco Virtualworks[®], Ramco Decisionworks[™], Ramco Enterprise Series, Ramco Ondemand ERP.

The current version of Ramco VirtualWorks[®] is:

- A scalable delivery platform for custom built applications and for implementing next generation global scale business solutions that provides change on demand to ensure that the information system changes in step with the business change
- Built on Business process based Approach that is radically different from the traditional approach
- Supports Model based development and Componentized solutions development to deliver Service Oriented Business Applications
- Geared for the emerging asset based delivery model that standards compliant and supports the business process platform strategy of an enterprise

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



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

1. Ramco Enterprise Series has been enhanced for delivering solutions into various industrial segments, such as Power, Engineering Product Manufacturing, Storage Solutions, Armed Forces / Defence, Food and Beverages, Process Production, Real Estate, Telecom infrastructure, Transportation management, Fleet operators and MRO service providers, etc. and addressing all necessary Business, Regulatory, Payroll and HR related requirements has resulted in a repository of pre-built solutions that can address wider set of organizations in the listed segments. The latest release has been modified to support a Rich User interface.
2. The addition of newer modules and over 300+ market driven features are the hallmark of this year's achievement. The rapid adoption of the technology tools such as extension screens and portlets helped the user community derive immense business benefits.
3. Ramco VirtualWorks® - Partner Development Kit, has been enhanced with various features to facilitate the development of the Ramco Partner community. This has been done with the objective of enabling swift and easy implementation of Ramco OnDemand ERP and Ramco Enterprise Series through partners. The partner development comprises features that facilitate rapid portal development, and extension development.
4. Ramco iRIS – innovative Ramco Integration Services, a new offering this year has ushered Ramco VirtualWorks® in to providing a variety of Integration Solutions to its customers. iRIS enables the implementers to bridge the Offerings of Ramco solutions with the solutions that are already being used by the customer.
5. Ramco VirtualWorks® has enhanced its offerings to support the latest tablet devices. This capability empowers the teams to deliver the solutions across a variety of devices and not restrained to only the desktop.
6. Several enhancements in Ramco DecisionWorks™ to provide superior Data Integration capabilities and Rich visualization capabilities.
7. Domain specific content for Banking, Aviation and Enterprise Solution verticals covering key subject areas has also been released on Ramco DecisionWorks™

Benefits derived as a result of the above R&D

- Expansion of Ramco offerings into more domains and verticals.
- Expansion of Ramco offerings into all technology segments. This enhances the technology market addressability immensely.
- Productivity increase due the platform process streamlining leading to better delivery schedule and cost predictability.
- Availability of standard functionalities to address more industry segments thus enhancing order wins and profitability.
- Ability to engage suitable business partners in delivering and implementing solutions to the end customer organizations.

Future Plan of Action

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

1. To add pre-built solution functionalities to cover more vertical segments.
2. To develop Code generators that exploit more advanced technologies for Web based solutions and the desktop.
3. Support for Mobile devices and Tablet devices and to address emerging technology trends to keep in step with the market needs.
4. To develop application infrastructure to support offline data store based solutions.
5. To develop application infrastructure to enable 24 X 7 availability of our hosted solutions.
6. To develop application infrastructure to integrate with a variety of social media.
7. To develop an integration framework to enable rapid and seamless integration with external applications.
8. To continually enhance the platform processes towards achieving improved productivity during all stages of solution delivery like modeling logic for code generation, web services standards support etc.

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

Particulars	(Rs. mln)
Capital	0.22
Recurring	508.98
Total	509.20
Total R&D expenditure as a percentage of total turnover	34%

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ANNEXURE B

DETAILS OF EMPLOYEE STOCK OPTION SCHEMES / PLAN

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

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

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

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

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

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

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

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

Details of options granted, vested and exercised as on 31st March, 2012

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

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

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

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

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

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

Details of options granted, vested and exercised as on 31st March, 2012

Date of grant	Number of options granted	Vesting Period	Exercise Price	Options exercised and shares issued	Live vested options (net of cancellations and employee separations)
14 th December, 2003	4,64,500	3 years	Rs. 284 per option*	37,975 shares*	500 exercisable till 13 th December, 2016
1 st December, 2005	9,200	3 years	Rs. 266 per option	Nil	Nil
4 th October, 2006	2,19,800	3 years	Rs.177 per option	Nil	3,200 exercisable till 3 rd October, 2019
14 th July, 2007	1,01,100	3 years	Rs. 163 per option	Nil	Nil

* The price of the options was adjusted to Rs.266/- per option for Rights Issue 2005 exercise as per SEBI guidelines. 36,350 options were exercised at the rate of Rs.284/- per option and 1,625 options were exercised at the rate of Rs.266/- per option.

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

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

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

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

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

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

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

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

Details of options granted, vested and exercised as on 31st March, 2012

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

(D) Employee Stock Option Scheme, 2008

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

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Certain employees, being the option holders under ESOP 2000, ESOS 2003 and ESOS 2004, of the Company have surrendered the options for cancellation, owing to the then unfavorable stock market conditions, against grant of fresh options under ESOS 2008, made by the Compensation Committee of the Board of Directors of the Company, in its meeting held on 11th April, 2009. The options were surrendered vide Letter of Release dated 5th May, 2009 and the same was accepted by the Company. The surrendered options have been cancelled. Accordingly, no further options under ESOP 2000, ESOS 2003 and ESOS 2004 can be granted and the said schemes have been discontinued in respect of the cancelled options. However, there are few employees holding 5,000 options under the aforementioned schemes, representing the earlier grants under ESOP 2000, ESOS 2003 and ESOS 2004, which have not been tendered for cancellation and these options are exercisable in terms of the original grants under the respective schemes.

At the meeting of the Compensation Committee held on 11th April, 2009, 11,28,875 options were granted to the eligible employees at a price of Rs. 53/- per share as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, with a vesting period of 4 years and an exercise period of 10 years from the date of vesting of the final lot i.e. till 9th April, 2023.

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

ESOS 2009 – Plan A

The shareholders at the twelfth Annual General Meeting held on 5th August, 2009, have approved, an issue of 5,00,000 options convertible into equity shares of Rs.10/- each with the number of options that could be granted to the Non-Executive Directors of the Company not exceeding 20,000 options per year and 1,00,000 options in aggregate. The 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.

ESOS 2009 – Plan B

The shareholders at the twelfth Annual General Meeting held on 5th August, 2009, have approved, an issue of 7,50,000 options convertible into equity shares of Rs.10/- each with the number of options that could be granted to the Non-Executive Directors of the Company not exceeding 25,000 options per year and 1,50,000 options in aggregate. The 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.

The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, framed detailed schemes for the tranche of options granted under both Plan A and Plan B in this regard.

Details of options granted, vested and exercised

ESOS 2009 – Plan A

At the meeting of the Compensation Committee held on 27th October, 2009, 20,000 stock options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at an exercise price of Rs.98/- per share as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. 17,750 options have vested as on 31st March, 2012. The vested options can be exercised till 25th October, 2022. Further 20,000 options were granted to Shri A V Dharmakrishnan, Non-Executive Director of the Company, at the meeting of the Compensation Committee held on 22nd December, 2011 at an exercise price of Rs. 61/- per share as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Out of this, none of the options have vested as on 31st March, 2012.

At the meeting of the Compensation Committee held on 2nd March, 2010, 3,82,220 stock options were granted to the eligible employees, at an exercise price of Rs. 94/- per option as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. All the vested options under the scheme can be exercised till 28th February, 2023.

ESOS 2009 – Plan B

At the meeting of the Compensation Committee held on 2nd March, 2010, 5,73,330, options were granted to the eligible employees, at an exercise price of Rs.94/- per share as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. All the vested options under the scheme can be exercised till 28th February, 2023.

Status of live ESOS under which options have been granted, as at 31st March, 2012

Sl. no.	Particulars	ESOS 2008	ESOS 2009	
			– Plan A	– Plan B
1	Options Granted	11,28,875	4,22,220	5,73,330
2	Exercise Price - Pricing Formulae	Refer (D) above	Refer (E) above	Refer (E) above
3	Options Vested	6,42,272	2,76,336	3,19,270
4	Options Exercised	1,69,257	-	-
5	Total Number of Shares arising (including shares yet to be allotted) as a result of exercise of Options	1,69,257	-	-
6	Options Lapsed	2,90,674	78,457	1,18,530
7	Variation of terms of Options	-	-	-
8	Money realized by exercise of Options	89,70,621	-	-
9	Total number of Options in force	6,68,944	3,43,763	4,54,800
10	Employee wise details of Options granted during this year:			
	(i) Senior Managerial Personnel	-	-	-
	(ii) Any other employee, who receives a grant in one year of options amounting to 5% or more of options granted during that year.	-	Refer Note1	-
	(iii) Identified employees who were granted options, during one year equal to or exceeding 1% of the Issued Capital (Excluding Outstanding Warrants and Conversions) of the Company at the time of grant.	-	-	-

Note 1: During the year, 20,000 stock options were granted to Shri A V Dharmakrishnan, Non-executive Director of the Company under Employees Stock Option Scheme, 2009- Plan A details of which are given in Para (E) above. No other options were granted during the year.

Note 2: The employee compensation cost on account of options granted is accounted on intrinsic value method. If such cost were computed using fair value of the options (using Black Scholes Merton model), then such cost would have been higher by Rs.1,49,01,000 and the standalone loss for the year would have been higher by that amount. On this basis, the basic & diluted EPS would have been Rs. (2.87). The weighted average risk free interest rate of 6.80%, weighted average expected life of options of 10 years, weighted average volatility of 3.70% and weighted average market price of Rs.74.36 have been assumed in arriving at the abovementioned fair value of the options. The weighted average exercise price of options granted is Rs. 74.92 and the weighted average fair value of options granted is Rs. 36.29.

DETAILS OF EMPLOYEE SHARE PURCHASE SCHEME / PLAN
(A) Employee Share Purchase Plan, 1999 (ESPP 1999)

During the year 1999-00, the Company had established Employee Share Purchase Plan (ESPP) which provided for the issuance of 11,00,000 shares to eligible employees (including certain employees of the subsidiaries). The shares were issued to an employee welfare trust called the RSL Employee Trust ("Trust") at Rs.10/- each and Re.1/- was paid up by the Trust as application money. Subsequently, the Trust expressed its inability to pay the remaining money due on all the 11,00,000 shares and offered to pay the balance amount (i.e., Rs.9/- per share) only in respect of 2,50,000 shares. Accordingly, 8,50,000 shares were forfeited. The balance 2,50,000 shares have been allotted to the RSL Employee Trust. The Trust transferred equity shares to the employees at par (i.e., Rs.10/- each) as per their grade and number of years of services under an agreement of sale, whereby the employees would need to be in the employment of the Company over a four year period to get the shares on a progressive basis. As on 31st March, 2012, 84,125 equity shares remained with the Trust.

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

The Shareholders at their Extra-Ordinary General Meeting held on 24th December, 2004, have approved the issue of 1,00,000 equity shares of Rs.10/- each under the scheme to Senior Key Managerial Personnel including Independent Directors, President, CEO and other employees of the Company as well as of the Subsidiaries. The Compensation Committee, at its meeting held on 22nd December, 2011, had framed the detailed terms of ESPS 2004 and approved the scheme document. As on 31st March, 2012, none of the shares have been offered to the employees.

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ANNEXURE C

A. REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Ramco is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, Ramco Systems Limited endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance framework reflecting the values of the entity are ingrained in the functions. The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31st March, 2012.

1. BOARD OF DIRECTORS

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

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management. The Chairman of the Board is a Non-Executive Promoter Director. As at 31st March, 2012, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges.

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

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

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

a) Composition of the Board

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

b) Board Procedure

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

The Board of Directors meet at regular intervals and decisions are taken at the Meetings after detailed discussions and evaluation of the subject. After the Meetings, the Company has a formal system for follow up, review and reporting. The actions taken on the Board/Committee Meetings and decisions arrived at are reported at its next meeting for being

reviewed by the Board/Committee(s). Amongst other things, the Board considers the following matters:

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

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

c) Meetings and Attendance

The Board met four times during the year on 30th May, 2011, 9th August, 2011, 7th November, 2011 and 3rd February, 2012. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows:

Name of the Director	Designation	Attendance	
		Board Meetings	Last AGM
Shri P R Ramasubrahmaneya Rajha	Chairman	4	Yes
Shri P R Venketrama Raja	Vice Chairman & Managing Director	3	Yes
Shri S S Ramachandra Raja	Director	4	Yes
Shri N K Shrikantan Raja	Director	4	Yes
Shri M M Venkatachalam	Director	4	Yes
Shri V Jagadisan	Director	3	Yes
Shri A V Dharmakrishnan	Director	4	Yes
Shri R S Agarwal	Director	3	Yes

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

2. AUDIT COMMITTEE

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

a) Composition

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

b) Terms of Reference in brief

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

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comprise of the following:

- Oversight of the Company's Financial Reporting and disclosure of its financial information
- Reviewing with the Management, the Quarterly Financial Results before submission to the Board for its approval
- Reviewing with the Management, the Annual Financial Results / Statements before submission to the Board for its approval
- Reviewing the adequacy of Internal Control Systems
- Discussion with the Internal Auditor on significant findings and follow up thereon
- Reviewing of the Capital Expenditure Plans and the status relating thereto
- Monitoring the Company's Cost Control Measures
- Reviewing of compliance with Accounting Standards and
- Approval of appointment of CFO before finalization by the Management.

c) Meetings and attendance

During the year the Committee met four times on 23rd May, 2011, 9th August, 2011, 4th November, 2011 and 30th January, 2012. The attendance of the members of the Audit Committee is as follows:

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

3. REMUNERATION COMMITTEE

a) Composition

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

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

b) Terms of Reference in brief

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

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

c) Meetings and attendance

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

d) Remuneration Policy

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

e) Remuneration to the Directors

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

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

f) Directors' Shareholding

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

Sl.No	Name of the Director	Date of the Compensation committee meeting	No of options granted	Terms and Conditions
1.	Shri A V Dharmakrishnan, Non-Executive Director	27 th October, 2009	20,000	20,000 options was granted under ESOS 2009 - Plan A at an exercise price of Rs. 98/- per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 25 th October, 2022
2.	Shri A V Dharmakrishnan, Non-Executive Director	22 nd December, 2011	20,000	20,000 options was granted under ESOS 2009 - Plan A at an exercise price of Rs. 61/- per share as per SEBI guidelines with a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot, i.e. 20 th December, 2024

Except as mentioned above, no stock options were granted to any other Directors of the Company and there are no convertible instruments issued by the Company. The details of the Shares held by the Directors of the Company as at 31st March, 2012, are as follows:

Name of the Director	No. of Shares Held	Percentage to Capital
Shri P R Ramasubrahmaneya Rajha	3,62,469	2.34
Shri P R Venketrama Raja	17,29,397	11.15
Shri S S Ramachandra Raja	30,158	0.19
Shri N K Shrikantan Raja	6,702	0.04
Shri M M Venkatachalam	Nil	Nil
Shri V Jagadisan	Nil	Nil
Shri A V Dharmakrishnan	2,484	0.02
Shri R S Agarwal	Nil	Nil
Total	21,31,210	13.74

Note: 84,125 shares of the company is held by RSL Employee Trust in the name of one of its Trustees, Shri P R Ramasubrahmaneya Rajha.

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4. SHAREHOLDERS COMMITTEE

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

a) Composition

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

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

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

b) Terms of Reference in brief

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

c) Meetings and attendance

During the year the Committee met four times on 2nd September, 2011, 27th September, 2011, 7th November, 2011 and 3rd January, 2012.

The attendance of the members of the Shareholders Committee is as follows:

Name of Members	Meetings Attended
Shri P R Ramasubrahmaneya Rajha	4
Shri P R Venketrama Raja	1
Shri N K Shrikantan Raja	4

d) Status of Shareholders' Grievances

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

During the year, the Company received 1 (one) Shareholders' Grievance which have been since redressed. There were no Shareholders' Grievances pending as on 31st March, 2012.

e) Name and designation of Compliance Officer

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

5. COMPENSATION COMMITTEE

a) Composition

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

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

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

b) Terms of Reference in brief

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

c) Meetings and attendance

During the year, the Committee met once, on 22nd December, 2011. All the members of the committee attended the meeting.

6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

ALLOTMENT COMMITTEE

a) Composition

The Board of Directors have constituted an Allotment Committee with the following members:

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

b) Terms of Reference in brief

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

c) Meetings and attendance

During the year the Allotment Committee met five times, on 11th April, 2011, 23rd May, 2011, 10th August, 2011, 20th October, 2011 and 16th March, 2012. for allotting shares to employees pursuant to exercise of Options under various Employee Stock Options Schemes of the company.

Name of Members	Meetings Attended
Shri M M Venkatachalam	5
Shri P R Venketrama Raja	2
Shri V Jagadisan	5

7. GENERAL BODY MEETINGS

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

Date	Meeting	Location	Time
5 th August, 2009	AGM	Shri PAC Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam-626 108	11.45 AM.
2 nd August, 2010	AGM	Shri PAC Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam-626 108	11.45 AM.
10 th August, 2011	AGM	Shri PAC Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam-626 108	11.45 AM.

At the Annual General Meeting held on 5th August, 2009 four special resolutions were passed by the members in relation to formulation of Employee Stock Option Scheme, 2009 – Plan A and Employee Stock Option Scheme, 2009 – Plan B.

There were no special resolutions passed at the other Meetings stated above.

8. POSTAL BALLOT

There were no resolutions that were required to be passed by means of a postal ballot by the members of the Company during the year ended 31st March, 2012. None of the resolutions to be placed at the ensuing Annual General Meeting are required to be passed by the members through Postal Ballot.

Ramco Systems Limited, INDIA

9. CODE OF CONDUCT

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

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

a. Code of Conduct for Directors

Director being a Trustee of the Shareholders shall –

- i. Act always in the best interest of the Shareholders.
- ii. Maintain a high standard of probity in his relations with the Company, its Subsidiaries, Employees, Contractors, Suppliers and Customers.
- iii. Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- iv. Always conduct himself in a manner that befits his position.
- v. Assist the Company to observe the provisions of the Company Law and other laws applicable to the Company, both in letter and in its spirits.
- vi. Not use his position in any manner to his personal advantage or that of his family or friends.

b. Code of Conduct for Senior Management Personnel

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

A Senior Managerial personnel shall –

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

All the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the applicable Code of Conduct for the year ended 31st March, 2012. The declaration from Shri P R Venketrana Raja, Vice Chairman & Managing Director and Shri Virender Aggarwal, Chief Executive Officer, regarding the affirmation of Compliance with Code of Conduct for the year ended 31st March, 2012, is enclosed and forms part of this report (Refer ANNEXURE D)

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



10. DISCLOSURES

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

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

The Company has complied with all the mandatory requirements of the code of Corporate Governance prescribed by the Stock Exchanges. As regards the non mandatory requirement, the Company has a Remuneration Committee as detailed in the earlier paragraphs.

The Company recognizes the substance of the Voluntary Corporate Governance Guidelines recommended by the Ministry of Corporate Affairs. The spirit of the guidelines is ingrained in the Corporate Governance practices of the Company.

11. CEO/CFO CERTIFICATION

The Vice Chairman & Managing Director of the Company, Shri P R Venketrama Raja, Chief Executive Officer of the Company, Shri Virender Aggarwal along with Shri R Ravi Kula Chandran, Vice President - Finance, who is heading the finance function, have certified compliance with the stipulations of Clause 49(V) of the Listing Agreement in relation to the Annual Financial Statements for the year 2011-12.

12. MEANS OF COMMUNICATION

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

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

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

Shareholders are being provided with timely information on all Company related matters. For effective and better communication to the Shareholders, the Company has appointed M/s. 20:20 MSL as Public Relations Agency.

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

Ramco Systems Limited, INDIA

B. GENERAL SHAREHOLDER INFORMATION

1. Details of the forthcoming Fifteenth Annual General Meeting

1. Date	2 nd August, 2012
2. Day	Thursday
3. Time	11.45 a.m.
4. Venue	Shri P A C Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam – 626 108

2. Financial Calendar for 2012-13 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2012-13 are as under:

Financial Results for the Quarter ending 30 th June, 2012	Between 15 th July & 14 th August, 2012
Financial Results for the Quarter ending 30 th September, 2012	Between 15 th October & 14 th November, 2012
Financial Results for the Quarter ending 31 st December, 2012	Between 15 th January & 14 th February, 2013
Financial Results for the year ending 31 st March, 2013	Between 15 th May & 30 th May, 2013
Sixteenth Annual General Meeting of the Company, for the year ending 31 st March, 2013	July / August, 2013

3. Book Closure

In order to comply with the provisions of Clause 16 of the Listing Agreement, the Register of Members of the Company and the Share Transfer Books would remain closed on Thursday the 2nd August, 2012.

4. Listing on Stock Exchanges

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

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

In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2012-13 have been paid to the Stock Exchanges, where the shares of the Company are listed.

5. Depositories

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

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

The Company has paid the custodial charges to the respective Depository for the financial year 2012-13.

6. Corporate Identity Number

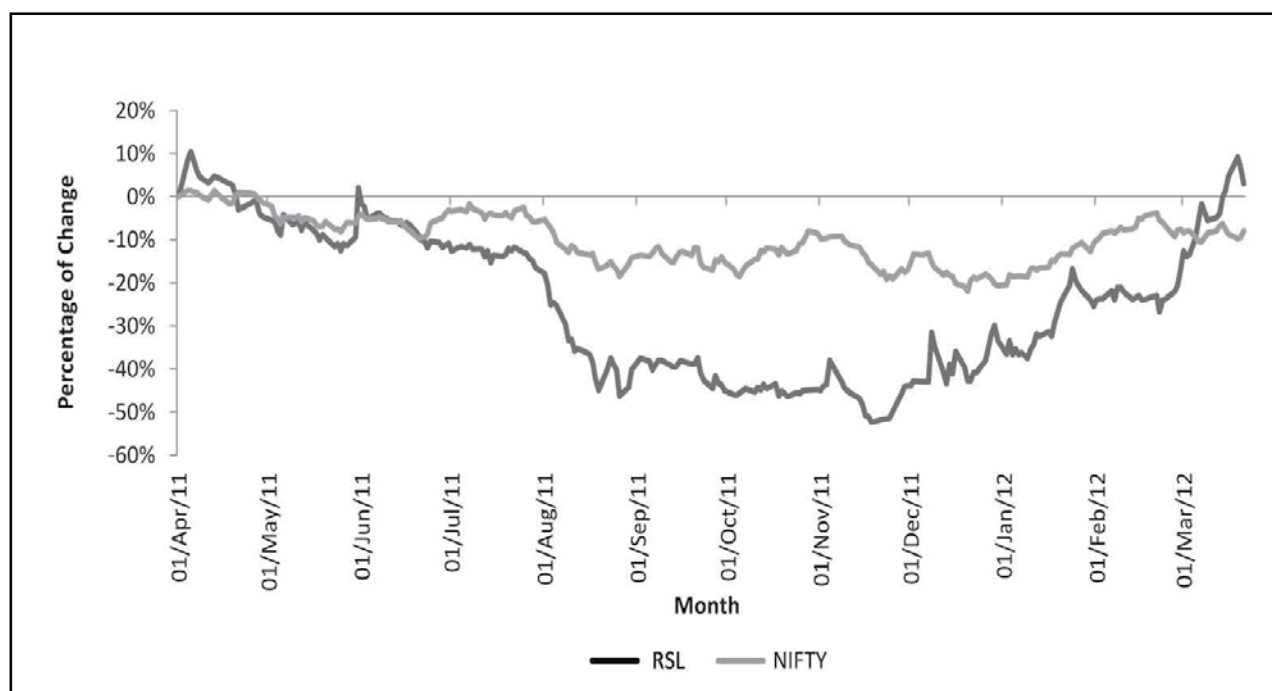
The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is L72300TN1997PLC037550 and our Company registration number is 18-37550.

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

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

Sl. No.	Month	NSE			BSE		
		Volume	High	Low	Volume	High	Low
1	Apr-11	1,32,721	119.00	90.00	44,856	117.95	99.00
2	May-11	2,14,126	113.90	90.00	91,645	113.50	91.30
3	Jun-11	1,61,006	106.50	91.25	1,16,195	107.00	90.00
4	Jul-11	1,70,170	96.00	87.00	75,455	96.00	87.60
5	Aug-11	1,52,138	89.20	54.00	82,732	88.90	55.05
6	Sep-11	80,051	67.90	57.00	71,572	76.80	56.05
7	Oct-11	66,801	60.90	56.10	24,593	67.45	55.90
8	Nov-11	2,60,895	69.90	48.30	48,626	67.95	48.80
9	Dec-11	10,42,009	80.70	57.50	2,72,514	80.70	57.00
10	Jan-12	2,16,420	87.65	65.00	31,215	86.80	63.50
11	Feb-12	1,09,569	87.55	76.95	20,178	88.00	77.00
12	Mar-12	4,02,622	119.00	88.00	91,096	118.50	85.00
Total		30,08,528			9,70,677		

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



Ramco Systems Limited, INDIA

8. Registrar and Share Transfer Agent (RTA)

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

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

9. Share Transfer System

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

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

To ensure swift processing of the Share Transfers, Transmissions, Transpositions etc. the Board of Directors have delegated powers to approve the process to the Shareholders Committee. During the year the Shareholders Committee had approved, inter-alia, the following:

Particulars	Number of Requests	Shares
Dematerialization requests	30	1,09,190
Transfer requests	4	7,675
Transmission request	1	100

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

10. Permanent Account Number

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

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

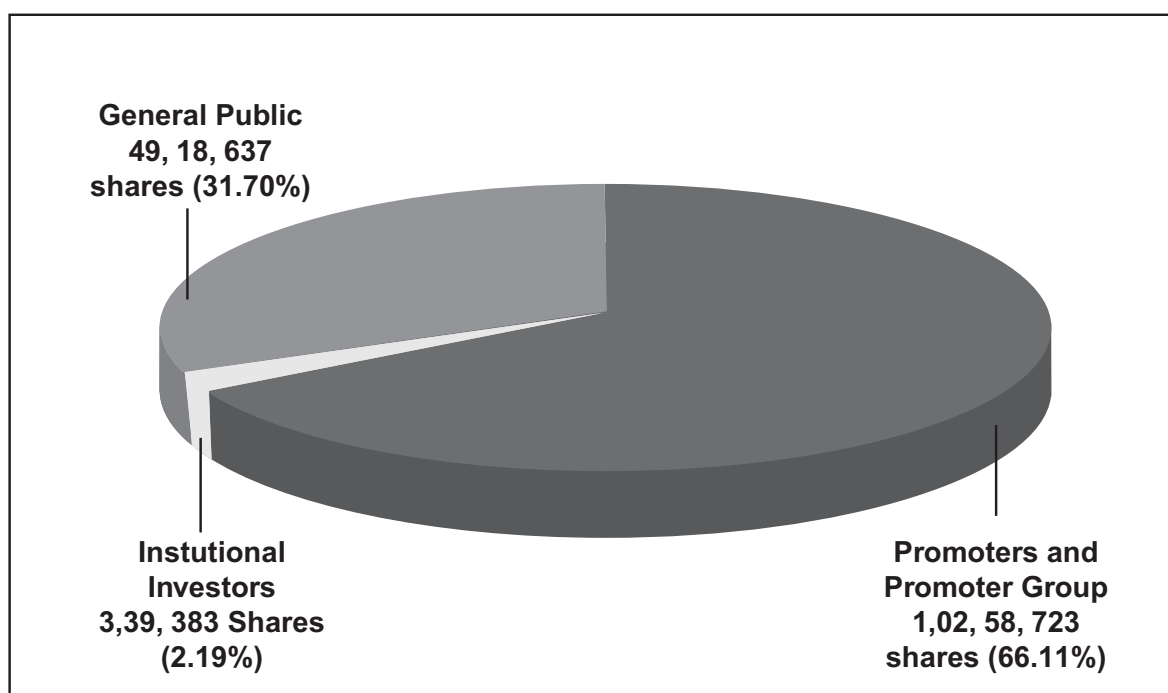
In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence in support of the identity of the transferees like Passport, Voter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

11. Shareholding Pattern and the Distribution of Shareholding as at 31st March, 2012

Category of Shareholder	Number of Shareholders	Total Shares held	Shares held in Demat Form	Percentage
(A) Promoter and Promoter Group				
Individuals / Hindu Undivided Family	9	29,05,043	29,05,043	18.72
Bodies Corporate	7	72,69,555	72,69,555	46.85
Trusts	1	84,125	84,125	0.54
Promoters shareholding (A)	17	1,02,58,723	1,02,58,723	66.11
(B) Non-Promoters				
Institutional Investors				
Mutual Funds / UTI	2	300	-	-
Financial Institutions / Banks	4	24,950	24,800	0.16
Insurance Companies	1	3,14,133	3,14,133	2.02
Sub Total	7	3,39,383	3,38,933	2.19
General Public				
Bodies Corporate	292	10,82,142	10,81,583	6.97
Indian Public	7,681	36,19,751	32,56,715	23.33
Others Including NRIs, Trusts, Clearing Members etc.	335	2,16,744	2,12,644	1.40
Sub Total	8,308	49,18,637	45,50,942	31.70
Non-Promoters shareholding (B)	8,315	52,58,020	48,89,875	33.89
Total Shareholding (A)+(B)	8,332	1,55,16,743	1,51,48,598	100.00

Note: Consequent to the introduction of SEBI SAST Regulations 2011, read with SEBI ICDR Regulations 2009, the Promoter and Promoter Group was redrawn in the shareholding pattern from the quarter ending 31st March, 2012. Accordingly, the holding of 81,028 shares (0.52% of the share capital) by Smt. R. Chittammal was added to and the holding of 29,589 shares (0.19% of the share capital) by Shri N R K Ramkumar Raja and Shri S R Srirama Raja were excluded from the Promoter Group. This had an effect of increasing the Promoter and Promoter Group holding to 66.11% from 65.78% as on 31st March, 2012.

Graphical Representation of Shareholding Pattern as on 31st March, 2012



Ramco Systems Limited, INDIA

The Distribution of Shareholding of the Company as at 31st March, 2012, is as follows

Sl. No	Holding range	Number of shareholders	% Of total	Shares	% Of total
1	between 1 and 100	5,084	61.02	238,823	1.54
2	between 101 and 500	2,242	26.91	561,508	3.62
3	between 501 and 1,000	426	5.11	337,069	2.17
4	between 1,001 and 2,000	266	3.19	394,816	2.54
5	between 2,001 and 3,000	88	1.06	218,976	1.41
6	between 3,001 and 4,000	59	0.71	205,820	1.33
7	between 4,001 and 5,000	32	0.38	147,865	0.95
8	between 5,001 and 10,000	62	0.74	449,145	2.89
9	> 10,000	73	0.88	12,962,721	83.54
	Total	8,332	100.00	15,516,743	100.00

12. Dematerialization of Shares and Liquidity

The Company has entered into Agreements with both NSDL and CDSL to facilitate the shareholders to dematerialize their equity shares with any one of the Depositories. The custodial charges for the year 2012-13 have been paid to NSDL and CDSL as per the Listing Agreement. As on 31st March, 2012, 1,51,48,598 equity shares representing 97.63% of the Company's total number of shares have been dematerialized.

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

13. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity : The Company has no outstanding ADR/GDR/Warrants or any convertible instruments as on 31st March, 2012.

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

15. Address for Correspondence & Shareholders queries : The Company Secretary
No. 64, Sardar Patel Road, Taramani, Chennai - 600 113.
Phone: 044 - 2235 5558 Fax: 044 - 2235 5078
(or)
M/s. Cameo Corporate Services Limited
(Unit: Ramco Systems Limited)
Subramanian Building, No.1, Club House Road,
Chennai - 600 002,
Phone: 044 - 2846 0390 Fax: 044 - 2846 0129.

16. Other Information to Shareholders

(a) Reconciliation of Share Capital Audit

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

(b) Compliance Certificate

Compliance Certificate dated 24th May, 2012 from the Statutory Auditors, M/s. CNGSN & Associates is annexed to this Corporate Governance Report (Refer ANNEXURE E)



ANNEXURE D

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

To

The Members of Ramco Systems Limited

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed Compliance with the Company's Code of Conduct for the year ended 31st March, 2012.

For RAMCO SYSTEMS LIMITED

Place: Chennai
Date : 24th May, 2012

P R VENKETRAMA RAJA
VICE CHAIRMAN & MANAGING DIRECTOR

VIRENDER AGGARWAL
CHIEF EXECUTIVE OFFICER

ANNEXURE E

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

To

The Members of Ramco Systems Limited

We have examined the Compliance of conditions of Corporate Governance by Ramco Systems Limited, for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

For CNGSN & Associates
Chartered Accountants
Registration No.004915S

Place: Chennai
Date : 24th May, 2012

C.N.GANGADARAN
Partner
Membership No.11205

Ramco Systems Limited, INDIA

ANNEXURE F

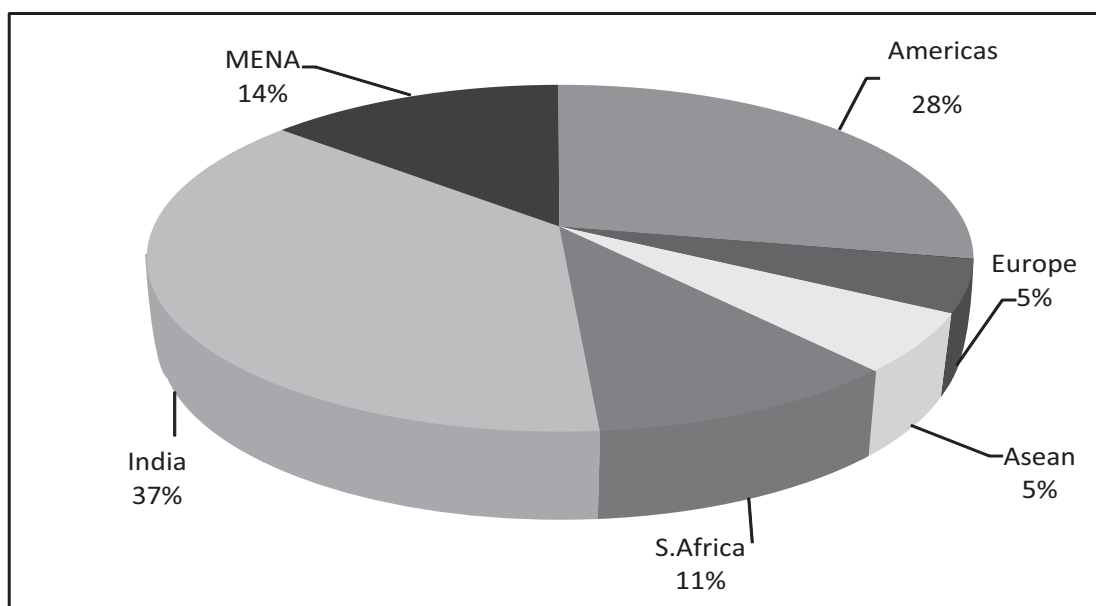
MANAGEMENT DISCUSSION AND ANALYSIS

Overview

At Ramco, we firmly believe that success is the prize of those who aim at exploring the unexplored and pursue their endeavors with perseverance. Driven by this philosophy, in 2011-12, while we continued to focus on our vision of delighting customers, along the way, we also established quite a few milestones that are worth a mention here.

The biggest growth areas for us in the last year have been in the US and India, while we continued the momentum in the Middle East and Africa. We witnessed considerable growth in the African market, especially in North and South Africa. India (including Middle East & North Africa) was the primary revenue driver with 51 per cent share, followed by Americas contributing a significant 28 per cent. One of the major reasons for this success has been that we've been able to explore new markets and segments this year, especially in the Middle East and APAC regions.

The share of revenue of USD 47.27 Million from various geographies is depicted as under:



While maintaining steady performance, we have also laid the foundation for good growth in the coming years by revamping our products and enhancing customer experience. Our architecture is very modern and versatile and it has been received very well in the market, especially, in products such as Ramco ERP on Cloud and Banking Analytics, which are currently at the top end of the stack.

Our Ramco ERP on Cloud business is continuing to successfully head towards beneficial results. We added 116 new wins this year for Ramco ERP on Cloud. Through the Cloud Cluster Series of events, we have been targeting untapped markets all over India.

Going forward, the key focus area would be Cloud. We are one of the very few companies who have an array of products on the Cloud for different type of industries, verticals and customers—from the smallest to the largest. We plan to step-up our efforts towards becoming a major player in the Cloud segment, not only in India, but across the globe. In this pursuit, we are all set to take Ramco ERP on Cloud to the global platform. We are focusing on packaging the product for the overseas market. Our strategy is to work through a strong ecosystem of external partners.

For our Banking Analytics product too, we are looking forward to making significant forays in the Middle East and APAC markets. In its pursuit to expand into new markets and serve the existing customers better, we have incorporated a wholly owned subsidiary named Ramco Systems FZ-LLC in Dubai.



The Verticalization approach that we adopted last year to leverage our experience in developing end-to-end solutions for specific needs and to reduce sales cycle time in the process, has also proved to be successful. It has helped us to channelize our offerings with products that are keener, sharper and more focused.

Challenges

While the future does look promising, there are challenges around that need attention. For one, the markets have still not recovered from the 2009 meltdown and are not stable yet. The certainty of market in terms of spending doesn't seem to be anywhere near the peak. Some industry sectors are under tremendous impact such as the Aviation industry.

Apart from this, while the potential in the US market is immense, there are challenges of procuring visas, which is certainly an impediment as we go along. Furthermore, the Average Collection Time (conforms to Average Sales Outstanding) is quite high in India, Middle East, North Africa and South Africa, than in the US and Europe, putting the smooth cash flow to strain.

To address these challenges, we certainly have products that offer unique value proposition, which possibly can excite the market, such as our Cloud offerings that have the potential of disrupting the market to our advantage.

Risk Management and Internal Control Systems

The Company has a suitable Risk Management framework for the purpose of managing risks. It has a comprehensive Budgetary Control System, against which the actual performance is reviewed. It has a well-defined Organization Structure and clear authority levels. Internal Audits are conducted periodically. These are reviewed by the Audit Committee in its Meetings.

Opportunities

Considering the trend for Cloud is catching up, globally, we see a tremendous opportunity in this domain. Hence, going forward, our mantra would be Cloud, which gives the best customer value at best possible cost, apart from rendering the best customer experience. Besides, the customer is not bogged down by the technicality of the given software. This is where we think the biggest opportunity for us lies.

In terms of emerging markets, Africa holds a lot of promise as a lot of spending is happening for modernization and automation in different countries of Africa. A lot of investment is happening in Africa from international bodies such as the International Monetary Fund (IMF) and the World Bank. Various governments in different countries of Africa have tremendous vision to modernize the country, and IT is likely to play a big role in this process. Therefore, we see a big opportunity there for our software products.

Mature markets such as the US and European nations are slowly coming out of the recession mode and there is definitely a huge opportunity in these countries for new models such as the Cloud. Though Cloud has hitherto remained relatively lesser sought in the Middle East than other parts of the geography, we are seeing that the demand for Cloud solutions is kicking up slowly. Middle East market also holds a lot of opportunities for Banking Analytics and the classic ERP solution. This trend is likely to continue, especially in countries like the Saudi Arabia, which is a huge market. We have recently started operations there.

India will continue to be a focus area, especially, in the government and public sector. We truly believe that we have got the best products for the Indian government and its various segments, such as Defense and Finance. We will continue to invest in marketing channels to ensure we are more known in the market.

Partnerships and Alliances

We believe in creating a strong partner ecosystem to penetrate the market within a short span of time. Continuing with this practice, we adopted niche strategies for different countries. For our Cloud offerings, we tied up with one of the largest infrastructure partner, who is globally well-known. The company is inter-linked with lot of organizations comprising ISVs and system integrators, who, in turn, can become potential partners for Ramco. We are also planning to leverage this association into fostering relationships with system integrator and ISVs to expand and consolidate our partner ecosystem, especially, in markets like America. We are already seeing traction there.

Ramco Systems Limited, INDIA

In the Middle East, we plan to have country-specific partners, who are locally very strong. So, the strategy is to have a mix of large global partners, who are system integrators or service providers and strong local partners. We have a host of Telecom Companies as partners such as Airtel in India, and will be looking at having alliances with more such organizations. Going forward, we plan to focus on broadening our base beyond India.

People initiatives

Last year, we created niche lines of business and put leaders to drive the business of that vertical, end-to-end. This model is working really well. We are seeing that a lot of focused initiatives are being planned by these leaders. We are happy to have identified leaders from within the organization. This has broadened the area of responsibilities for these individuals and departments, has created renewed enthusiasm amongst people and opportunities for them to grow.

We emphasize a lot on training for development of our employees' skills and organize training programmes for them on an ongoing basis. For example, in the last year, we organized a series of training programmes by top notch experts for our sales professionals on concepts like 'Value Selling'. These training sessions were very well received and are also showing very good results.

Apart from this, we have also tied up with colleges, who would be imparting training on Ramco ERP on Cloud to the final year students of Engineering. This initiative will help make Ramco ERP on Cloud more popular and we will also be able to have access to good, industry-ready resources from different colleges. We have already started the programme in South India, but this year we are planning to roll it out in colleges across the country.

In a nutshell, the HR reforms and strategies adopted in 2010-11 for providing opportunities for continuous growth and learning to all Ramcoites, have been yielding impressive results. While employee retention continues to remain a challenge for most IT companies, we are happy to note that the attrition rate was significantly low in 2011-12.

Going forward

While we are witnessing good traction for our solutions and services, we need to sustain the demand we generate, especially in the Cloud arena, to stay ahead of the pack. Steadfast focus on bettering our offerings and promptness in delivery, without compromising on quality, will be of paramount importance for us. As we round off the year on a positive note, the future holds a lot of promise and we are glad to find that we are heading in the right direction!

The Reports presented above may not contain sufficient information to allow full understanding of the results or the state of affairs of the Company. The Ramco Systems management cautions investors that these reports are provided only as additional information to our investors. Using such reports for predicting the future of Ramco Systems is risky. The Ramco Systems management is not responsible for any direct, indirect or consequential losses suffered by any person using these reports.



ANNEXURE G

2011-12 Milestones

15th April, 2011: Launch of SaaS ERP for Aviation Manufacturing and MRO.

4th May, 2011: Received the esteemed Watts S Humphrey award for Software Quality and Process Improvement at the SPI Conference 2011, organized by Software Process Improvement Network (SPIN), Chennai, India.

5th June, 2011: Launch of two new products on the cloud—Ramco OnDemand Analytics and Ramco OnDemand Gateway products. While Ramco OnDemand Analytics is the first full-fledged pre-built analytics on the Cloud, Ramco OnDemand Gateway products is a fusion of transaction (ERP) and decision support systems (Analytics), which enables customers to quickly and easily adopt business applications, and then graduate to a full-fledged cloud ERP.

22nd June, 2011: Launch of the Ramco Think Ahead Awards—the flagship annual awards instituted to recognize and reward customers. This year, 12 customers from three regions were awarded across four categories.

22nd June, 2011: We incorporated a wholly owned subsidiary named Ramco Systems FZ-LLC in Dubai.

17th August, 2011: Launch of the ADF (Automated Data Flow) solution, which enables banks to automatically adhere to the RBI guidelines for submission of returns without any manual Intervention.

27th September, 2011: Announcement of a suite of world-class ERP solutions for accelerating growth in Kerala and further strengthening Ramco's presence in Kerala through focused efforts to tap the shipping, logistics, manufacturing, hospitality and real-estate sectors.

30th September, 2011: The *PCQuest Users' Choice Awards* 2011 ranked Ramco ERP as enjoying the highest brand loyalty amongst its SME customers.

18th October, 2011: Agreement announced with T'way Airlines, South Korea for Ramco's Series 5 Aviation M&E software.

20th October, 2011: Deal signed with Columbia Helicopters, Inc. (CHI), USA for Ramco's Series 5 Aviation software suite.

21st November, 2011: We participated as a platinum sponsor in the first-ever Gartner Symposium held in India by Gartner, the world's leading IT research and advisory company. Mr R. Shankar, Executive Vice President, Ramco Systems addressed the delegates on Day 1 of the symposium, on the topic "Exciting Possibilities on the Cloud: Showcasing Actual Results from Business".

27th December, 2011: We participated in the 3rd International Conference on Advanced Computing organized jointly by Anna University, Asia's largest technical university and IEEE, the world's largest professional association for technology advancement. The conference was attended by over 150 international researchers, industrial experts and academicians. Mr Shyaam Sunder, Chief Knowledge Officer, Ramco Systems, delivered the plenary talk on "Cloud Technologies for the Government".

5th January, 2012: Agreement announced with Ornge, Canada the world's leading innovator in the emerging field of transport medicine, for Ramco's Series 5 Aviation M&E software.

1st March, 2012: Release of "Banking on Business Intelligence (BI)" newsletter featuring research by Gartner. The newsletter focuses on how a competent Banking Analytics suite can equip banks with the insights required to take the most profitable decisions. It also delves into how a bank can save time and efforts involved in a traditional BI implementation by opting for a pre-built analytics suite.

Ramco Systems Limited, INDIA

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AUDITOR'S REPORT TO THE MEMBERS OF RAMCO SYSTEMS LIMITED

1. We have audited the attached Balance Sheet of Ramco Systems Limited, as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4 A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - c) The Balance sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified, as on March 31, 2012 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (1) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - (2) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
 - (3) in the case of cash flow statement, of the cash flows for the year ended on that date.

For CNGSN & ASSOCIATES
Chartered Accountants
Registration No. 004915S

Place: Chennai
Date : May 24, 2012

C N GANGADARAN
Partner
Membership No.11205

Ramco Systems Limited, INDIA

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
- (b) Most of the assets have been physically verified by the management during the year. The Company has a phased programme of verification which in our opinion is reasonable having regard to the size of the Company. No material discrepancies have been noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed at the time of physical verification.
- (iii) (a) The Company has taken loans of Rs.1,012.50 Mln. during the year from a party listed in the Register maintained under Section 301 of the Companies Act, 1956. The year end balance is Rs.130.00 Mln. and the maximum outstanding during the year is Rs. 200.00 Mln. No loans have been granted to any such parties by the Company.
- (b) In our opinion rates of interest and other terms and conditions are not prejudicial to the interest of the Company.
- (c) The repayment of the principal amounts and interest wherever applicable are regular.
- (d) The loans taken by the Company are repayable on demand and therefore the question of overdue amounts does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (v) (a) The Company has transactions with Section 301 companies. The transactions have been entered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Company does not come under Section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise Duty and Cess and other material statutory dues as applicable to it.



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Service tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are disputed statutory dues aggregating to Rs. 9.84 Mln. that have not been deposited on account of matters pending before appropriate authority, is as under:

Name of the statute	Nature of dues	Forum where dispute is pending	(Rs. Mln.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	9.84

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

For CNGSN & ASSOCIATES
Chartered Accountants
Registration No. 004915S

Place: Chennai
Date : May 24, 2012

C N GANGADARAN
Partner
Membership No.11205

Ramco Systems Limited, INDIA

BALANCE SHEET AS AT MARCH 31, 2012

	Note Number	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	155.52	155.37
Reserves and Surplus	3	<u>1,507.67</u>	<u>1,536.59</u>
		<u>1,663.19</u>	<u>1,691.96</u>
Share Application Money Pending Allotment	4	0.56	0.16
Non-current Liabilities			
Long Term Borrowings	5	7.39	6.60
Other Long Term Liabilities	6	40.75	39.67
Long Term Provisions	7	<u>72.28</u>	<u>52.54</u>
		<u>120.42</u>	<u>98.81</u>
Current Liabilities			
Short Term Borrowings	8	1,985.00	1,550.00
Trade Payables	9	320.78	310.20
Other Current Liabilities	10	114.75	182.13
Short Term Provisions	11	<u>34.58</u>	<u>16.01</u>
		<u>2,455.11</u>	<u>2,058.34</u>
TOTAL		<u>4,239.28</u>	<u>3,849.27</u>
ASSETS			
Non-current Assets			
Fixed Assets	12		
- Tangible Assets		155.01	147.03
- Intangible Assets		1,661.53	1,369.69
Non-current Investments	13	1,222.57	1,221.95
Long Term Loans and Advances	14	104.70	75.29
Other Non-current Assets	15	-	-
		<u>3,143.81</u>	<u>2,813.96</u>
Current Assets			
Inventories	16	16.93	1.03
Trade Receivables	17	630.92	707.22
Cash and Bank Balances	18	34.75	23.46
Short Term Loans and Advances	19	86.83	106.74
Other Current Assets	20	<u>326.04</u>	<u>196.86</u>
		<u>1,095.47</u>	<u>1,035.31</u>
TOTAL		<u>4,239.28</u>	<u>3,849.27</u>

Notes on Financial Statements

1 to 38

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note Number	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)
INCOME			
Revenue from Operations	21	1,518.24	1,504.02
Other Income	22	56.64	73.37
Total Revenue		1,574.88	1,577.39
EXPENDITURE			
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	23	(15.90)	(0.55)
Purchase of Stock-in-trade		29.37	10.28
Employee Benefit Expense	24	718.02	561.34
Finance Costs	25	25.64	134.93
Depreciation and Amortisation Expense	12	273.36	239.98
Other Expenses	26	573.97	571.33
Total expenses		1,604.46	1,517.31
Profit / (Loss) Before Tax		(29.58)	60.08
Tax Expenses			
- Current Tax	11	-	12.38
Profit / (Loss) For The Year		(29.58)	47.70
Earnings per equity share (EPS) of face value of Rs.10 each			
Basic EPS (Rs.)		(1.91)	3.09
Diluted EPS (Rs.)		(1.91)	2.99
Weighted average number of Equity Shares outstanding – Basic		15,512,389	15,439,768
Weighted average number of Equity Shares outstanding – Diluted		15,605,539	15,966,742

Notes on Financial Statements

1 to 38

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

C N GANGADARAN
Partner
Membership No.:11205
Place : Chennai
Date : May 24, 2012

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Ramco Systems Limited, INDIA

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(29.58)	60.08
Adjusted for:		
Depreciation and Amortisation Expense	273.36	239.98
Bad debts written off	24.92	6.94
Finance Costs	25.64	134.93
(Profit)/Loss on Sale of Assets (Net)	1.62	4.44
Interest Income	(0.21)	(1.22)
Unrealised Exchange (Gain)/Loss	(33.56)	3.98
Operating Profit/(Loss) Before Working Capital Changes	262.19	449.13
Working Capital Changes:		
Trade receivables, Loans & advances and Other current / Non-current assets	(87.30)	(442.63)
Inventories	(15.90)	(0.55)
Trade payables, Provisions and Other liabilities	(11.76)	187.48
Earmarked balances with Banks - Margin money deposit	(0.10)	(1.09)
Cash Generated from Operations	147.13	192.34
Taxes Paid	-	-
Net Cash (Used in)/Generated from Operating Activities	147.13	192.34
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(411.12)	(330.42)
Investment in Equity of Subsidiaries	(0.62)	-
Investment in Mutual Funds-Net	-	0.14
Loans to Subsidiaries-Net	-	12.37
Proceeds from Sale of Fixed Assets	1.42	0.90
Term deposit with Banks-others	(0.04)	(0.22)
Proceeds from Long Term Borrowings for assets under Hire purchase / Finance lease	6.14	11.66
Repayment of Long Term Borrowings for assets under Hire purchase / Finance lease	(9.15)	(12.44)
Interest Income	0.21	1.22
Net Cash (Used in)/Generated from Investing Activities	(413.16)	(316.79)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital on account of exercise of Employee Stock Options	0.80	7.48
Proceeds from Short Term Borrowings	3,622.50	4,062.80
Repayment of Short Term Borrowings	(3,187.50)	(3,827.00)
Finance Costs paid	(192.59)	(134.93)
Net Cash (Used in) / Generated from Financing Activities	243.21	108.35
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(22.82)	(16.10)
Cash and Cash Equivalents at the beginning of the year	21.12	41.20
Effect of Unrealised Foreign Exchange Fluctuation Gain/(Loss)	33.56	(3.98)
Cash and Cash Equivalents at the end of the year	31.86	21.12
Earmarked Balances with Banks		
- Term Deposits held as margin money against bank guarantees	1.19	1.09
- Balance in ESOS / Rights issue accounts	0.61	0.20
Term Deposits - Others	1.09	1.05
Closing Cash and Bank Balances	34.75	23.46

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
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Company Secretary

S S RAMACHANDRA RAJA
N K SHRIKANTAN RAJA

V JAGADISAN

M M VENKATACHALAM

A V DHARMAKRISHNAN

R S AGARWAL

Directors

NOTES ON FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

I Basis of Preparation

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

II Revenue Recognition

A Software and related services

i) License Fees

License Fee revenue is recognized on delivery of the software.

ii) Software development / Implementation Fees

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

iii) Annual Maintenance Contract

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

B Value Added Resale Hardware & Software

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

C Other Income

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

III Fixed Assets and Depreciation

A Tangible Assets

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

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

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

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

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

B Intangible Assets

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

Similarly, costs incurred in the development of technology platform framework, which would enable the company to provide solutions - both standard and customized – in an efficient manner, have been classified and grouped as "Technology Platform" under Fixed Assets, once the same is available for use.

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

The useful life of the above assets is estimated as ten years and depreciation is charged accordingly.

Ramco Systems Limited, INDIA

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

IV Investments

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

V Inventories

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

VI Foreign Currency Transactions

The functional currency of the Company is Indian Rupee.

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The monetary items denominated in the foreign currency at the year end are translated at the exchange rates prevailing on the date of the balance sheet or wherever forward contracts are booked, at the respective rates as per such forward contracts and the loss or gain arising out of such transactions is adjusted in the Statement of Profit and Loss. Exchange difference in respect of foreign currency liabilities incurred for acquiring fixed assets on or before accounting period commencing after December 7, 2006 is added to the cost of respective fixed assets.

VII Translation of Financial Statements of Foreign Branch

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

VIII Employee Benefits

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

Gratuity

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

Superannuation

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

National Pension System

The employees of the Company have been given an option to participate in a defined contribution plan ("National Pension System"), maintained by the fund managers approved by the Pension Fund Regulatory and Development Authority. For those who opt to participate, the company makes contributions equal to 10% of the covered employee's

basic salary. For those who do not opt to participate, an amount equivalent to the contribution determined at the time of exercise of option is paid alongwith salary. The company has no further obligation beyond its contributions / payments.

Provident Fund

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

Leave Encashment

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

IX Earnings per share

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

X Taxes on income

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

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

XI Borrowing costs

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

XII Impairment of assets

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

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
2 Share Capital		
Authorised		
50,000,000 (previous year 50,000,000) Equity Shares of Rs.10 each	500.00	500.00
Issued		
15,865,921 (previous year 15,850,562) Equity Shares of Rs.10 each	158.66	158.51
Subscribed		
15,865,921 (previous year 15,850,562) Equity Shares of Rs.10 each	158.66	158.51
Paid-up		
15,516,743 (previous year 15,501,384) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	155.52	155.37
	155.52	155.37

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

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	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
Shares outstanding at the beginning of the year 15,501,384 (previous year 15,357,986)	155.37	153.94
Shares issued during the year under ESOS 2008- 15,359 (previous year 143,398)	0.15	1.43
Shares outstanding at the end of the year 15,516,743 (previous year 15,501,384)	<u>155.52</u>	<u>155.37</u>
2.2 Number of non resident shareholders	72	80
Number of shares held by the non resident shareholders	33,612	31,847
Dividend remitted in foreign currency	Nil	Nil

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

Name	As at 31.03.2012		As at 31.03.2011	
	Shares held	% of holding	Shares held	% of holding
Shri P R Venketrama Raja	1,729,397	11.15	1,289,182	8.32
Ramco Industries Limited	4,822,215	31.07	4,822,215	31.10
Madras Cements Limited	2,117,810	13.64	2,117,810	13.66

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

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

Name of Stock Option Schemes	As at 31.03.2012			As at 31.03.2011		
	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. mln.)	Outstanding Nos.	Exercise Price (Rs.)	Value (Rs. mln.)
ESOP 2000	1,300	177	0.23	1,900	177	0.34
ESOS 2003	500	266	0.13	500	266	0.13
ESOS 2003	3,200	177	0.57	3,600	177	0.64
ESOS 2004	-	-	-	500	163	0.08
ESOS 2008	6,68,944	53	35.45	-	-	-
ESOS 2009 - Plan A	3,03,763	94	28.55	8,92,295	53	47.29
ESOS 2009 - Plan A	20,000	98	1.96	3,30,060	94	31.03
ESOS 2009 - Plan A	20,000	61	1.22	20,000	98	1.96
ESOS 2009 - Plan B	4,54,800	94	42.75	4,95,090	94	46.54
Total	14,72,507		110.86	17,43,945		128.01

Further details of the above Schemes can be obtained from ANNEXURE B to the Directors' Report.

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
3 Reserves and Surplus		
Securities Premium Account (includes value of forfeited shares of Rs.111,910 (previous year Rs.111,910) for 349,178 shares)	1,949.57	1,948.91
Balance in Statement of Profit and Loss	<u>(441.90)</u>	<u>(412.32)</u>
	<u>1,507.67</u>	<u>1,536.59</u>
3.1 Securities Premium Account		
Opening balance	1,948.91	1,942.74
Shares issued during the year under ESOS 2008- 15,359 (Previous year 143,398)	0.66	6.17
Closing balance	<u>1,949.57</u>	<u>1,948.91</u>

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
3.2 Balance in Statement of Profit and Loss		
Opening balance	(412.32)	(460.02)
Current year Profit / (Loss)	(29.58)	47.70
Closing balance	(441.90)	(412.32)

4 Share Application Money Pending Allotment

a) Terms and conditions	Refer note below	Refer note below
b) Number of shares proposed to be issued (No.)	10,500	3,092
c) Amount of premium (Rs. Mln.)	0.45	0.13
d) The period before which shares are to be allotted	Refer note below	Refer note below
e) whether the company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
f) Interest accrued on amount due for refund	Not Applicable	Not Applicable
g) The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending	Nil	Nil

Note: The Share Application Money Pending Allotment represents receipt pursuant to the exercise of Options under the Employee Stock Option Scheme, 2008 of the Company. Under the said scheme, 1 share of Rs. 10 each, at a premium of Rs. 43 per share needs to be issued for each option exercised. The shares need to be allotted within 6 weeks of receipt of exercise application along with remittance of exercise money. No such application money has been pending beyond the stipulated time for allotment.

5 Long Term Borrowings

Hire purchase loans, secured *	7.39	6.60
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* Includes loan from Banks Rs. 0.27 Mln. (previous year Rs. 0.47 Mln.) and others Rs. 7.12 Mln. (previous year Rs. 6.13 Mln.)

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

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

As at 31.03.2012

Rate of Interest	2015-16	2014-15	2013-14	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
8.50%	-	0.11	0.45	0.56
9.00%	-	0.56	1.32	1.88
10.25%	-	0.15	0.16	0.31
10.50%	0.01	0.54	0.64	1.19
11.50%	0.80	1.40	1.25	3.45
TOTAL	0.81	2.76	3.82	7.39

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As at 31.03.2011

Rate of Interest	2014-15	2013-14	2012-13	Total
	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)	(Rs. Mln.)
8.50%	0.12	0.45	0.41	0.98
9.00%	0.69	1.66	1.52	3.87
10.25%	0.15	0.16	0.14	0.45
10.50%	0.37	0.48	0.43	1.28
11.79%	-	-	0.02	0.02
TOTAL	1.33	2.75	2.52	6.60

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
6 Other Long Term Liabilities		
Trade payables	2.36	2.36
Other long term liabilities *	38.39	37.31
	40.75	39.67
* Represents rental advance		
7 Long Term Provisions		
Provision for gratuity	6.34	7.03
Provision for leave encashment	65.94	45.51
	72.28	52.54
8 Short Term Borrowings		
Loans repayable on demand from Banks, secured	110.00	80.00
Loans from Banks, unsecured	1,745.00	1,350.00
Loan repayable on demand from related parties, unsecured	130.00	120.00
	1,985.00	1,550.00

8.1 Short Term Borrowings Terms of Repayment and Security details

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

- Rs.10.00 Mln. (previous year Rs.10.00 Mln.) secured by a pari-passu first charge on current assets including stocks and book debts and fixed assets of the Company except assets given as exclusive charge and assets acquired on hire purchase or lease and supported by Corporate Guarantee from Ramco Industries Limited and
- Rs.100.00 Mln. (previous year Rs.70.00 Mln.) secured by a pari-passu first charge on the current assets including stocks and book debts and supported by Corporate Guarantee from Ramco Industries Limited.

Loans from Banks, unsecured, consists of :

- Rs.1,450.00 Mln. (previous year Rs. 1,150.00 Mln.), supported by Corporate Guarantee from Madras Cements Limited and
- Rs.295.00 Mln.(previous year Rs.200.00 Mln.), supported by Corporate Guarantee from Ramco Industries Limited.

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

- Rs.130.00 Mln. (previous year Rs.120.00 Mln.) from Madras Cements Limited.



	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
9 Trade Payables		
Subsidiaries	150.08	171.01
Others	170.70	139.19
	<u>320.78</u>	<u>310.20</u>

9.1 There are no Micro and Small Enterprises, to whom the Company owes dues as at March 31, 2012 and on March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

10 Other Current Liabilities

Finance lease obligations, secured @	-	4.75
Unearned revenue	52.18	40.44
Hire purchase loans, secured #	3.47	2.51
Interest accrued and due	-	0.80
Interest accrued but not due	0.40	1.45
Share application money due for refund	0.03	0.03
Statutory dues payable	20.51	32.20
Expenses payable	18.54	80.28
Others *	19.62	19.67
	<u>114.75</u>	<u>182.13</u>

@ Secured by the asset covered by the finance lease. (Refer Note No. 35)

Secured by hypothecation of assets (vehicles) procured under the hire purchase scheme. Includes loan from Banks Rs. 0.20 Mln. (previous year Rs. 0.38 Mln.) and others Rs. 3.27 Mln. (previous year Rs. 2.13 Mln.)

* Includes advance collected from customers and payable to vendors for capital goods

11 Short Term Provisions

Provision for gratuity	22.45	-
Provision for superannuation, leave encashment	12.13	3.63
Provision for taxation	-	12.38
	<u>34.58</u>	<u>16.01</u>

11.1 No provision for tax for the Company (including its Branches at United Kingdom and Germany) has been made in view of absence of taxable profits during current and previous year. Profits of the Dubai Branch are tax free. The current taxation during the previous year represents the provision made for tax on the book profits, computed under Sec.115JB of the Income Tax Act, 1961. The company has net deferred tax assets as on March 31, 2012 and as on March 31, 2011, which arise mainly on account of carry forward losses. However the company has not taken credit for such net deferred tax assets.

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12 Fixed Assets

(Rs. Mln.)

Asset Description	Gross Block				Depreciation Block				Net Block	
	As at 01.04.2011	Additions	Withdrawals	As at 31.03.2012	Up to 01.04.2011	For the year	Withdrawals	Up to 31.03.2012	As at 01.04.2011	As at 31.03.2012
TANGIBLE ASSETS										
Building	3.12	-	-	3.12	1.36	0.10	-	1.46	1.76	1.66
Plant & Machinery-EDP	282.71	21.85	4.48	300.08	189.83	35.13	4.41	220.55	92.88	79.53
Furniture	29.25	2.36	0.58	31.03	16.53	2.79	0.18	19.14	12.72	11.89
Office Equipments	0.82	-	-	0.82	0.53	0.03	-	0.56	0.29	0.26
Electrical Items	44.15	23.10	1.34	65.91	15.76	2.95	0.32	18.39	28.39	47.52
Vehicles	12.27	6.14	1.72	16.69	1.28	1.43	0.17	2.54	10.99	14.15
SUB-TOTAL	372.32	53.45	8.12	417.65	225.29	42.43	5.08	262.64	147.03	155.01
Previous year	339.71	42.77	10.16	372.32	194.78	35.31	4.80	225.29	144.93	147.03
INTANGIBLE ASSETS										
Technology Platform	634.79	116.82	-	751.61	267.15	63.48	-	330.63	367.64	420.98
Product Software	1,397.79	392.16	-	1,789.95	466.63	139.78	-	606.41	931.16	1,183.54
Patents	8.55	0.29	-	8.84	1.05	0.85	-	1.90	7.50	6.94
Computer Software	260.01	13.50	-	273.51	196.62	26.82	-	223.44	63.39	50.07
SUB-TOTAL	2,301.14	522.77	-	2,823.91	931.45	230.93	-	1,162.38	1,369.69	1,661.53
Previous year	2,013.49	287.65	-	2,301.14	726.78	204.67	-	931.45	1,286.71	1,369.69
Grand Total	2,673.46	576.22	8.12	3,241.56	1,156.74	273.36	5.08	1,425.02	1,516.72	1,816.54
Previous year	2,353.20	330.42	10.16	2,673.46	921.56	239.98	4.80	1,156.74	1,431.64	1,516.72

Note: 1. Gross block under vehicles includes assets purchased under Hire Purchase Rs.16.70 Mln. (previous year Rs.10.22 Mln.), Net block as on 31.03.2012 Rs.14.16 Mln. (previous year Rs.9.32 Mln.).

2. Gross block under plant & machinery-EDP includes assets purchased under Finance Lease Rs.25.29 Mln. (previous year Rs.25.29 Mln.), Net block as on 31.03.2012 Rs.11.34 Mln. (previous year Rs.15.44 Mln.).

3. Additions to the gross block in respect of technology platform include capitalisation of interest amounting to Rs. 37.90 Mln. (previous year Nil) and product software include Rs. 127.21 Mln. (previous year Nil).

13 Non-current Investments

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

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
192,729,550 Shares in Ramco Systems Corporation, USA of face value of USD 0.0145 each (Previous year 192,729,550 shares @ USD 0.0145 each)	743.41	743.41
1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (Previous year 1,400,000 Shares @ CHF 1 each)	441.70	441.70
725,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (Previous year 725,000 Shares @ SGD 1 each)	18.62	18.62
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (Previous year 1,280,000 Shares @ RM 1 each)	18.22	18.22
100 Shares in RSL Enterprise Solutions (Pty.) Ltd., South Africa of face value of ZAR 1 each amounting to Rs. 701 (Previous year 100 Shares @ ZAR 1 each amounting to Rs. 701)	-	-
50 Shares in Ramco Systems Dubai, FZ-LLC, of AED 1000 each (Previous year Nil)	0.62	-
	<u>1,222.57</u>	<u>1,221.95</u>

14 Long Term Loans and Advances

Unsecured, considered good

Advance Tax and Tax deducted at source	72.51	48.96
Security deposits	32.19	26.33
Unsecured, considered doubtful		
Other long term loans and advances	-	0.71
Provision for doubtful advances	-	(0.71)
	<u>104.70</u>	<u>75.29</u>



	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
15 Other Non-current Assets		
Trade receivables, unsecured, considered doubtful	4.66	4.66
Provision for doubtful trade receivables	(4.66)	(4.66)
	<u>-</u>	<u>-</u>
16 Inventories		
Stock-in-trade *	16.93	1.03
* Represents hardware and software materials held for resale, valued at cost or net realisable value whichever is lower and as certified by management		
17 Trade Receivables		
Unsecured, considered good		
a) Over six months from the date they were due for payment		
Trade receivables - subsidiaries	3.75	-
Trade receivables - others	283.98	97.70
b) Others		
Trade receivables - subsidiaries	108.36	182.13
Trade receivables - others	234.83	427.39
	<u>630.92</u>	<u>707.22</u>
17.1 Trade receivables includes dues from subsidiaries as below:		(Rs. Mln.)
	Outstanding as at	Maximum amount due during
Subsidiary	31.03.2012	31.03.2011
		2011-12
		2010-11
Ramco Systems Corporation, USA	21.75	4.93
Ramco Systems Limited, Switzerland	-	0.56
Ramco Systems Pte Ltd., Singapore	6.29	11.24
RSL Enterprise Solutions (Pty) Ltd., S.Africa	50.17	127.61
Ramco Systems Canada Inc., Canada	19.07	37.79
Ramco Systems FZ-LLC, Dubai	14.83	-
	<u>112.11</u>	<u>182.13</u>
		<u>260.50</u>
		<u>242.94</u>
18 Cash and Bank Balances		
Cash and cash equivalents		
Cash on hand	0.12	0.06
Balance with Banks	31.74	21.06
Other bank balances		
Term deposits held as margin money against bank guarantees	1.19	1.09
Term deposits others	1.09	1.05
Balance in Rights Issue / ESOS accounts	0.61	0.20
	<u>34.75</u>	<u>23.46</u>
19 Short Term Loans and Advances		
Unsecured, considered good		
Advance Tax and Tax deducted at source	-	12.38
Loans and advances others *	86.83	94.36
	<u>86.83</u>	<u>106.74</u>
* Includes customer security deposits, vendor advances, employee advances, statutory advances and prepaid expenses		

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	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)		
20 Other Current Assets				
Unbilled revenue	323.57	183.88		
Software work in progress	2.47	12.97		
Other current assets *	-	0.01		
	<u>326.04</u>	<u>196.86</u>		
* Represents interest accrued on fixed deposit with Banks				
	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)		
21 Revenue from operations				
Software revenue (License & Services)	1,371.51	1,359.79		
Resale software and hardware materials	20.94	19.26		
Royalty income	125.79	124.97		
	<u>1,518.24</u>	<u>1,504.02</u>		
21.1 Earnings in foreign exchange				
Export of goods and services on FOB basis	357.16	465.78		
Royalty	125.79	124.97		
	<u>482.95</u>	<u>590.75</u>		
22 Other Income				
Interest income	1.60	13.80		
Profit on sale of assets	0.05	0.11		
Recovery of expenses from customers	8.20	8.98		
Rent income	46.49	45.35		
Other income	0.30	5.13		
	<u>56.64</u>	<u>73.37</u>		
23 Changes in Inventories of Stock-in-trade				
Opening stock	1.03	0.48		
Closing stock	16.93	1.03		
	<u>(15.90)</u>	<u>(0.55)</u>		
23.1 Value of consumption of imported and Indigenous raw materials and spare parts				
	Year ended 31.03.2012		Year ended 31.03.2011	
Resale Materials:	(Rs. Mln.)	%	(Rs. Mln.)	%
Imported	8.51	63.15	3.73	38.36
Indigenous	4.96	36.85	6.00	61.64
	<u>13.47</u>	<u>100.00</u>	<u>9.73</u>	<u>100.00</u>
23.2 CIF value of Imports				
Resale materials	15.25		3.76	
Capital goods	19.78		1.60	
Outflow for patent applications	1.49		1.88	
	<u>36.52</u>		<u>7.24</u>	
24 Employee Benefit Expense				
Salaries, wages, bonus etc.,	634.38		497.51	
Provident fund contribution	39.32		29.80	
Gratuity and other retirements	37.47		23.71	
Staff welfare (Refer note no. 26.1)	6.85		10.32	
	<u>718.02</u>		<u>561.34</u>	

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

(Rs. Mln.)

	Year ended 31.03.2012	Year ended 31.03.2011
a) Defined Contribution Plan		
Employer's Contribution to Provident Fund	39.32	29.80
Employer's Contribution to Superannuation & National Pension System	13.96	10.72
b) Defined Benefit Plan		

Particulars	As at 31.03.2012		As at 31.03.2011	
	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)
Reconciliation of opening and closing balances of defined benefit plan:				
Defined Benefit obligation as on 01st April	76.11	49.14	62.26	43.63
Current Service Cost	14.42	3.60	21.38	3.87
Interest Cost	5.93	3.63	4.80	3.01
Actuarial (gain) / loss	9.47	21.26	(7.93)	10.71
Benefits paid	(3.91)	(7.48)	(4.40)	(12.08)
Defined Benefit obligation as on 31 st March	102.02	70.15	76.11	49.14
Reconciliation of opening and closing balances of fair value of plan assets:				
Fair value of plan assets as on 01st April	69.08	-	57.56	-
Expected return on plan assets	5.44	-	4.86	-
Actuarial (gain) / loss	0.86	-	0.40	-
Employer contribution	1.75	-	10.66	-
Benefits paid	(3.91)	-	(4.40)	-
Fair value of plan assets as on 31st March	73.22	-	69.08	-
Actual return on plan assets	6.31	-	5.26	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	73.22	-	69.08	-
Present value of obligation	(102.01)	(70.15)	(76.11)	(49.14)
Amount recognized in Balance Sheet	(28.79)	(70.15)	(7.03)	(49.14)
Expense recognized during the year:				
Current Service Cost	14.42	3.60	21.38	3.87
Interest Cost	5.93	3.63	4.80	3.01
Expected return on plan assets	(5.44)	-	(4.86)	-
Actuarial (gain) / loss	8.60	21.26	(8.33)	10.71
Net Cost	23.51	28.49	12.99	17.59
Investment Details:				
GOI Securities	-	-	-	-
State Government Securities	-	-	-	-
High Quality Corporate Bonds	-	-	-	-
Funds with LIC	100%	-	100%	-
Others	-	-	-	-
Actuarial assumptions:				
Attrition rate	6%	6%	6%	6%
Discount rate p.a	8%	8%	8%	8%
Expected rate of return on plan assets p.a	8%	-	8%	-
Rate of escalation in salary p.a	8%	8%	10%	10%

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	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)
25 Finance Costs		
Interest on loans (Refer note no. 26.1)	24.88	134.91
Other finance costs	0.76	0.02
	<u>25.64</u>	<u>134.93</u>
26 Other Expenses		
Advertisement & sales promotion	63.15	128.91
Bank charges	1.72	2.93
Bad and doubtful debts	24.92	6.94
Consultancy charges	15.80	14.96
Foreign exchange fluctuation, net	(33.56)	3.98
Insurance	1.61	1.50
Loss on sale of fixed assets	1.67	4.55
Office maintenance	16.17	12.63
Outsourcing costs	114.34	90.97
Power & fuel	11.94	10.92
Printing & stationery	2.10	2.49
Postage & telephone	19.93	17.62
Rent	141.88	131.73
Repairs - buildings	-	0.19
Repairs - plant & machinery	9.10	10.58
Repairs - others	6.78	3.94
Rates & taxes	14.04	4.45
Sales commission and other selling	9.51	5.18
Travel & conveyance	102.76	102.09
Unfructified patent expenses	25.39	-
Other miscellaneous expenses	24.72	14.77
	<u>573.97</u>	<u>571.33</u>

26.1 The Company had so far been capitalising only the employee benefit expenses (other than staff welfare), power & fuel and consultancy & outsourcing expenses pertaining to the Research and Development activities. During the year, in addition to these costs, following have also been capitalised (Refer item no. III (B) – Intangible Assets and item no. XI – Borrowing Costs under Significant Accounting Policies in Note No.1 to the financial statements).

	(Rs. Mln.)
Finance costs	165.11
Staff welfare	8.02
Travel & conveyance	0.17
Postage & telephone	1.12
Other miscellaneous expenses	1.07
Total	<u>175.49</u>

The Company had thus capitalised the expenses pertaining to the Research and Development activities amounting to Rs.508.98 Mln. during the year (previous year Rs.270.62 Mln.).



	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
27 Contingent Liabilities		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	22.01	4.77
(b) Bank guarantees	38.38	77.15
(c) Letters of credit	-	2.80
(d) Disputed Income Tax demand - pending before the first appellate authority	9.84	-

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.

	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)
28 Expenditure in Foreign Currency on account of:		
(a) Professional / consultation fees	3.99	8.55
(b) Travelling	33.73	33.56
(c) Others	8.11	16.77
TOTAL	45.83	58.88

29 Fees paid to Statutory Auditors (Excluding service tax)

(a) Statutory Audit	0.85	0.75
(b) Tax Audit	0.15	0.15
(c) Independent Auditor's report under AS-21	0.20	0.20
(d) Rights issue certification	-	0.50
(e) Other certification	0.24	0.29
(f) Reimbursement of out of pocket expenses	0.08	0.03
TOTAL	1.52	1.92

The fee against Sl. No. (d) above for the previous year was not charged to the Statement of Profit and Loss in that year, in contemplation of adjustment of the same against Share Premium upon realisation of the proceeds of the Rights Issue 2010. However, in view of the withdrawal of the said Rights Issue during the year, the said fee has been charged to the Statement of Profit and Loss during the year.

30 Research and Development

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

31 Segmental Revenue

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

Ramco Systems Limited, INDIA

32 Related Party Transactions

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

a. Subsidiary Companies

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

b. Key Management Personnel and Relatives

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

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

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

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

(Rs. Mln.)

Particulars	Transactions during 2011-12	Outstanding as at 31.03.2012	Transactions during 2010-11	Outstanding as at 31.03.2011
Income from Sale of goods & services				
Ramco Systems Corporation, USA	41.60	0.38	48.25	1.76
Ramco Systems Canada Inc., Canada	106.46	16.80	56.09	37.79
Ramco Systems Limited, Switzerland	18.79	-	5.66	0.56
Ramco Systems Sdn. Bhd., Malaysia	1.41	-	1.90	-
Ramco Systems Pte. Ltd., Singapore	9.42	1.69	17.84	4.77
RSL Enterprise Solutions (Pty) Ltd., S.Africa	129.76	50.17	180.60	127.61
Ramco Systems FZ-LLC, Dubai	7.50	7.49	-	-
Madras Cements Limited	198.71	1.37	117.41	5.96
Ramco Industries Limited	19.76	-	11.24	0.51
Rajapalayam Mills Limited	1.27	-	1.31	0.10
Sri Vishnu Shankar Mills Ltd	0.66	-	0.61	-
Sandhya Spinning Mill Ltd	0.55	-	0.53	-
Thanjavur Spinning Mill Limited	0.32	-	0.28	-
Rajapalayam Spinners Limited	0.14	-	0.11	-
Sri Harini Textiles Limited	0.09	-	0.07	-
The Ramaraju Surgical Cotton Mills Ltd	0.82	-	0.32	-
Swarna Bhoomi Estate	0.40	-	-	-
Thanga Vilas Estate	0.62	-	-	-



(Rs. Mln.)

Particulars	Transactions during 2011-12	Outstanding as at 31.03.2012	Transactions during 2010-11	Outstanding as at 31.03.2011
Income from royalty				
Ramco Systems Corporation, USA	66.53	21.37	63.33	3.17
Ramco Systems Canada Inc., Canada	5.59	2.27	17.22	-
Ramco Systems Limited, Switzerland	19.03	-	15.26	-
Ramco Systems Sdn. Bhd., Malaysia	8.78	-	7.94	-
Ramco Systems Pte. Ltd., Singapore	20.00	4.60	21.22	6.47
Ramco Systems FZ-LLC, Dubai	5.86	7.34	-	-
Cost of services availed				
Ramco Systems Corporation, USA	-	109.28	3.16	119.00
Ramco Systems Limited, Switzerland	-	37.52	-	28.53
Ramco Systems Sdn. Bhd., Malaysia	-	3.28	-	11.64
Ramco Systems Pte. Ltd., Singapore	-	-	11.84	11.84
Loans availed				
Madras Cements Limited	1,012.50	130.00	1,202.00	120.00
Loans given				
RSL Enterprise Solutions (Pty) Ltd., S.Africa	-	-	6.93	-
Ramco Systems FZ-LLC, Dubai	1.24	-	-	-
Investment				
Ramco Systems FZ-LLC, Dubai	0.62	-	-	-
Interest – Expense				
Madras Cements Limited	17.35	-	10.45	-
Interest – Income				
Ramco Systems FZ-LLC, Dubai	0.07	-	-	-
RSL Enterprise Solutions (Pty) Ltd., S.Africa	-	-	1.00	-
Rent - Expense				
Madras Cements Limited	78.23	-	78.23	-

Notes: a) Details of corporate guarantees given by the Group are given in Note No.8.1 above.

b) Details of transactions with Key Management Personnel and Relatives

(i) Remuneration paid to Shri P.R. Venketrama Raja for the year is Rs.1.17 Mln. (Previous year Rs.1.17 Mln.).

(ii) Sitting fee paid to Shri P.R. Ramasubrahmaneya Rajha Rs.0.04 Mln. (Previous year Rs. 0.04 Mln.).

33 The Company has branches in United Kingdom, Germany and Dubai. The United Kingdom branch has made a turnover of Rs.13.18 Mln. for the year ended March 31, 2012 (previous year Rs. 5.03 Mln.), no turnover in Germany branch for the year and previous year and the Dubai branch has made a turnover of Rs.227.68 Mln. for the year ended March 31, 2012 (previous year Rs.258.96 Mln.).

34 Amounts recovered from Subsidiaries towards expenses incurred on account of on-site employees to the extent of Rs.48.60 Mln. (previous year Rs.25.01 Mln.) have been netted of from expenses.

Ramco Systems Limited, INDIA

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
35 Obligations towards finance leases		
Reconciliation between total minimum lease payments at the Balance Sheet date and their Present Value:		
Total minimum lease payments at the Balance Sheet Date	-	4.98
Present Value of the minimum lease payments at the Balance Sheet date	-	4.75
	<u>-</u>	<u>0.23</u>
Difference being:		
Interest accrued, but not due at the Balance Sheet Date	-	0.10
Future interest payable during the balance lease term	-	0.13
	<u>-</u>	<u>0.23</u>
Minimum Lease Payments:		
Less than one year	-	4.98
One to five years	-	-
Total	<u>-</u>	<u>4.98</u>
Present value of minimum Lease Payments:		
Less than one year	-	4.75
One to five years	-	-
Total	<u>-</u>	<u>4.75</u>

36 The Company's shares are listed on Madras Stock Exchange Limited, Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Listing Fees payable to these stock exchanges have been paid.

37 The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

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

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

C N GANGADARAN
Partner
Membership No.:11205
Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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



RESEARCH AND DEVELOPMENT ACTIVITIES (REFER SL.NO.30 OF NOTES ON FINANCIAL STATEMENTS)

BALANCE SHEET AS AT MARCH 31, 2012

	Note Number	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)
EQUITY AND LIABILITIES			
Reserves and Surplus	1	<u>(2,496.34)</u>	<u>(2,289.03)</u>
		<u>(2,496.34)</u>	<u>(2,289.03)</u>
Current Liabilities			
Short Term Borrowings		1,699.86	1,331.66
Trade Payables		6.31	0.02
Other Current Liabilities		0.86	-
Head Office Contra Account		2,403.31	2,269.50
		<u>4,110.34</u>	<u>3,601.18</u>
TOTAL		<u>1,614.00</u>	<u>1,312.15</u>
ASSETS			
Non-current Assets			
Fixed Assets	2		
- Tangible Assets		8.44	11.76
- Intangible Assets		1,605.56	1,300.39
TOTAL		<u>1,614.00</u>	<u>1,312.15</u>

Notes on financials of Research & Development Activities

1 to 6

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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

Ramco Systems Limited, INDIA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note Number	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)
INCOME			
Profit on sale of fixed assets		0.06	-
		<u>0.06</u>	<u>-</u>
EXPENDITURE			
Employee Benefit Expense	3	-	1.86
Finance Costs	4	-	106.02
Depreciation and Amortisation Expense	2	207.37	180.75
Other Expenses	5	-	3.01
Total Expenditure		<u>207.37</u>	<u>291.64</u>
Profit / (Loss) For The Year		<u>(207.31)</u>	<u>(291.64)</u>

Notes on financials of Research & Development Activities

1 to 6

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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



NOTES ON FINANCIALS OF RESEARCH & DEVELOPMENT ACTIVITIES

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2011 (Rs. Mln.)								
1 Revenue Expenditure of Research and Development Activities										
Transferred from Statement of Profit and Loss	(207.31)	(291.64)								
Balance brought forward from previous year	<u>(2,289.03)</u>	<u>(1,997.39)</u>								
	(2,496.34)	(2,289.03)								
2 Fixed Assets		(Rs. Mln.)								
									As at	As at
	Gross Block				Depreciation Block				Net Block	
Asset Description	As at 01.04.11	Additions	With- drawals	As at 31.03.12	Upto 01.04.11	For the year	With- drawals	Up to 31.03.12	As at 01.04.11	As at 31.03.12
TANGIBLE ASSETS										
Plant&Machinery-EDP	84.59	0.22	4.36	80.45	72.87	3.56	4.38	72.05	11.72	8.40
Electrical Items	0.12	-	-	0.12	0.08	-	-	0.08	0.04	0.04
SUB-TOTAL	84.71	0.22	4.36	80.57	72.95	3.56	4.38	72.13	11.76	8.44
Previous year	83.76	0.95	-	84.71	68.93	4.02	-	72.95	14.83	11.76
INTANGIBLE ASSETS										
Technology Platform	634.79	116.82	-	751.61	267.15	63.48	-	330.63	367.64	420.98
Product Software	1,397.79	392.16	-	1,789.95	466.63	139.78	-	606.41	931.16	1,183.54
Computer Software	41.10	-	-	41.10	39.51	0.55	-	40.06	1.59	1.04
SUB-TOTAL	2,073.68	508.98	-	2,582.66	773.29	203.81	-	977.10	1,300.39	1,605.56
Previous year	1,802.58	271.10	-	2,073.68	596.56	176.73	-	773.29	1,206.02	1,300.39
Grand Total	2,158.39	509.20	4.36	2,663.23	846.24	207.37	4.38	1,049.23	1,312.15	1,614.00
Previous year	1,886.34	272.05	-	2,158.39	665.49	180.75	-	846.24	1,220.85	1,312.15
								Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2011 (Rs. Mln.)	
3 Employee Benefit Expense										
Salaries, bonus, contributions etc.,								294.91	240.15	
Staff welfare								8.02	1.86	
Gross cost								<u>302.93</u>	242.01	
Less: Product Research and Development Expenditure Capitalised								<u>(302.93)</u>	(240.15)	
								-	1.86	
4 Finance costs										
Interest on loans								165.11	106.02	
Gross cost								<u>165.11</u>	106.02	
Less: Product Research and Development Expenditure Capitalised								<u>(165.11)</u>	-	
								-	106.02	
5 Other Expenses										
Postage & telephone								1.12	1.47	
Power & fuel								24.59	20.82	
Travel & conveyance								0.17	0.12	
Consultancy & outsourcing costs								13.99	9.65	
Other miscellaneous expenses								1.07	1.42	
Gross cost								<u>40.94</u>	33.48	
Less: Product Research and Development Expenditure Capitalised								<u>(40.94)</u>	(30.47)	
								-	3.01	
6 Calculation of Total R&D Expenditure										
i) Capital Expenditure for R&D (exclusive of Product Research & Development Expenditure capitalised) (Refer Note No. 2)								0.22	1.43	
ii) Recurring R&D Expenditure:										
Employee Benefit Expense - Gross (Refer Note No. 3)								302.93	242.01	
Finance Costs - Gross (Refer Note No. 4)								165.11	106.02	
Other Expenses - Gross (Refer Note No. 5)								40.94	33.48	
Sub-total								<u>508.98</u>	<u>381.51</u>	
Total R&D expenditure (i) + (ii)								<u>509.20</u>	<u>382.94</u>	

RAMCO SYSTEMS LIMITED
GLOBAL CONSOLIDATED FINANCIAL STATEMENTS UNDER AS-21

SUBSIDIARIES

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

AUDITORS

Messers CNGSN & Associates
Chartered Accountants, Chennai



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

We have examined the attached Consolidated Balance Sheet of Ramco Systems Limited and its Subsidiaries as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of Ramco Systems Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing Standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material aspects, in accordance with identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 165.27 Mln. as at March 31, 2012 and total revenues of Rs. 268.56 Mln. for the year then ended. These financial statements have been audited / reviewed by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors. We have relied on the unaudited financial statements of a subsidiary whose financial statements reflect total assets of Rs. 174.46 Mln. as at March 31, 2012 and total revenues of Rs. 232.36 Mln., for the year then ended. The financial statements of the Associate for the year ended February 28, 2012 have also not been audited. Our opinion, in so far as it relates to the amounts included in respect of that subsidiary and Associate is based solely on such unaudited financial statements.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21- Consolidated Financial Statements and Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited / unaudited financial statements of Ramco Systems Limited and its Subsidiaries / Associate in the Consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Ramco Systems Limited and its aforesaid Subsidiaries, we are of the opinion that;

- a) the Consolidated Balance Sheet gives a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of Ramco Systems Limited and its Subsidiaries as at March 31, 2012;
- b) the Consolidated Statement of Profit and Loss gives a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated loss of Ramco Systems Limited and its Subsidiaries for the year then ended;
- c) the Consolidated Cash flow statement gives a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated cash flow of Ramco Systems Limited and its Subsidiaries for the year then ended.

For CNGSN & Associates
Chartered Accountants
Registration No.004915S

C.N.GANGADARAN
Partner
Membership No.11205

Place : Chennai
Date: May 24, 2012

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

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note Number	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2012 (USD Mln.)	As at 31.03.2011 (Rs. Mln.)	As at 31.03.2011 (USD Mln.)
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	155.52	3.56	155.37	3.56
Reserves and Surplus	3	1,498.20	29.04	1,564.08	35.32
		<u>1,653.72</u>	<u>32.60</u>	<u>1,719.45</u>	<u>38.88</u>
Share Application Money Pending Allotment		0.56	0.01	0.16	-
Minority Interest	28	1.73	0.05	3.41	0.08
Non-current Liabilities					
Long Term Borrowings	4	7.39	0.15	6.60	0.15
Deferred Tax Liability (Net)	32	1.45	0.03	1.20	0.03
Other Long Term Liabilities	5	40.75	0.81	39.67	0.89
Long Term Provisions	6	110.03	2.17	85.93	1.94
		<u>159.62</u>	<u>3.16</u>	<u>133.40</u>	<u>3.01</u>
Current Liabilities					
Short Term Borrowings	7	1,985.00	39.14	1,550.00	35.04
Trade Payables	8	233.30	4.59	209.50	4.71
Other Current Liabilities	9	250.43	4.94	324.16	7.33
Short Term Provisions	10	35.98	0.71	20.82	0.47
		<u>2,504.71</u>	<u>49.38</u>	<u>2,104.48</u>	<u>47.55</u>
TOTAL		<u>4,320.34</u>	<u>85.20</u>	<u>3,960.90</u>	<u>89.52</u>
ASSETS					
Non-current Assets					
Fixed Assets	11				
- Tangible Assets		164.07	3.23	157.38	3.56
- Intangible Assets		1,663.75	32.81	1,371.66	30.99
- Goodwill (on consolidation)		994.51	19.61	994.51	22.49
Non-current Investments	12	0.90	0.02	5.19	0.12
Long Term Loans and Advances	13	128.63	2.54	88.00	1.99
Other Non-current Assets	14	-	-	-	-
		<u>2,951.86</u>	<u>58.21</u>	<u>2,616.74</u>	<u>59.15</u>
Current Assets					
Inventories	15	16.93	0.33	1.03	0.02
Trade Receivables	16	682.98	13.47	880.14	19.90
Cash and Bank Balances	17	114.04	2.25	79.50	1.79
Short Term Loans and Advances	18	97.40	1.92	115.26	2.60
Other Current Assets	19	457.13	9.02	268.23	6.06
		<u>1,368.48</u>	<u>26.99</u>	<u>1,344.16</u>	<u>30.37</u>
TOTAL		<u>4,320.34</u>	<u>85.20</u>	<u>3,960.90</u>	<u>89.52</u>

Notes on Consolidated Financial Statements

1 to 35

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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

Directors



CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

	Note Number	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2012 (USD Mln.)	Year ended 31.03.2011 (Rs. Mln.)	Year ended 31.03.2011 (USD Mln.)
INCOME					
Revenue from Operations	20	2,229.78	47.26	2,040.57	45.16
Other Income	21	111.67	2.37	101.58	2.25
Total Revenue		2,341.45	49.63	2,142.15	47.41
EXPENDITURE					
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	22	(15.90)	(0.31)	(0.55)	(0.01)
Purchase of Stock-in-trade		31.38	0.64	10.28	0.23
Employee Benefit Expense	23	1,147.43	24.32	895.47	19.82
Finance Costs	24	25.68	0.54	135.04	2.99
Depreciation and Amortisation Expense	11	280.32	5.94	248.06	5.49
Other Expenses	25	963.52	20.44	814.73	18.02
Total expenses		2,432.43	51.57	2,103.03	46.54
Profit / (Loss) Before Tax		(90.98)	(1.94)	39.12	0.87
Tax Expenses					
- Current Tax	31	(4.54)	(0.10)	16.58	0.37
- Deferred Tax	32	0.22	-	2.73	0.06
Profit / (Loss) After Tax and Before Minority Interest & Equity in Earnings		(86.66)	(1.84)	19.81	0.44
Minority Interest		1.68	0.04	(0.27)	(0.01)
Equity in Earnings of Affiliates		(4.29)	(0.09)	3.54	0.08
Profit / (Loss) For The Year		(89.27)	(1.89)	23.08	0.51
Earnings per equity share (EPS) of face value of Rs.10 each					
Basic EPS (in Rs. and USD)		(5.75)	(0.12)	1.49	0.03
Diluted EPS (in Rs. and USD)		(5.75)	(0.12)	1.44	0.03
Weighted average number of Equity Shares outstanding – Basic		15,512,389		15,439,768	
Weighted average number of Equity Shares outstanding – Diluted		15,605,539		15,966,742	

Notes on Consolidated Financial Statements

1 to 35

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2012 (USD Mln.)	Year ended 31.03.2011 (Rs. Mln.)	Year ended 31.03.2011 (USD Mln.)
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(90.98)	(1.94)	39.12	0.87
Adjusted for:				
Depreciation and Amortisation Expense	280.32	5.94	248.06	5.49
Bad debts written off	26.07	0.55	6.94	0.15
Provision for bad and doubtful debts	99.17	2.10	28.36	0.63
Finance Costs	25.68	0.54	135.04	2.99
(Profit) / Loss on Sale of Assets-Net	1.65	0.04	4.44	0.10
Interest Income	(0.35)	(0.01)	(0.79)	(0.02)
Effect of exchange difference on translation of deferred tax liability & fixed assets	(1.25)	9.75	(0.23)	(0.41)
Unrealised Exchange (Gain)/Loss	(1.12)	(0.02)	(5.70)	(0.13)
Effect of change in Foreign Currency Translation Reserve	22.74	(4.40)	(15.16)	(0.73)
Operating Profit/(Loss) Before Working Capital Changes	361.93	12.55	440.08	8.94
Working Capital Changes:				
Trade receivables, Loans & advances and Other current / Non-current assets	(128.71)	1.16	(446.14)	(9.50)
Inventories	(15.90)	(0.31)	(0.55)	(0.01)
Trade payables, Provisions and Other liabilities	11.80	(1.66)	238.25	5.48
Earmarked balances with Banks - Margin money deposit	(0.10)	-	(1.09)	(0.02)
Cash Generated from Operations	229.02	11.75	230.53	4.89
Taxes Paid	(22.28)	(0.46)	(2.49)	(0.05)
Net Cash (Used in)/Generated from Operating Activities	206.74	11.29	228.04	4.84
B CASH FLOW FROM INVESTING ACTIVITIES				
Addition to Fixed Assets	(416.87)	(11.09)	(334.93)	(7.57)
Investment in Mutual Funds-Net	-	-	0.14	-
Proceeds from Sale of Fixed Assets	2.53	0.05	0.92	0.02
Term deposit with Banks-others	(0.03)	-	(0.22)	(0.01)
Proceeds from Long Term Borrowings for assets under Hire purchase / Finance lease	6.14	0.08	11.66	0.26
Repayment of Long Term Borrowings for assets under Hire purchase / Finance lease	(9.15)	(0.19)	(12.44)	(0.28)
Interest Income	0.35	0.01	0.79	0.02
Net Cash (Used in) / Generated from Investing Activities	(417.03)	(11.14)	(334.08)	(7.56)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital on account of exercise of Employee Stock Options	0.80	0.02	7.48	0.17
Proceeds from Short Term Borrowings	3,622.50	66.96	4,062.80	91.86
Repayment of Short Term Borrowings	(3,187.50)	(62.84)	(3,827.01)	(86.26)
Finance Costs paid	(192.63)	(3.84)	(135.04)	(2.99)
Net Cash (Used in)/Generated from Financing Activities	243.17	0.28	108.23	2.78
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	32.88	0.43	2.19	0.06
Effect of Unrealised Foreign Exchange Fluctuation Gain/(Loss)	1.12	0.02	5.70	0.13
Cash and Cash Equivalents at the beginning of the year	77.15	1.75	69.27	1.56
Cash and Cash Equivalents at the end of the year	111.15	2.20	77.16	1.75
Earmarked Balances with Banks				
- Term Deposits held as margin money against bank guarantees	1.19	0.02	1.09	0.02
- Balance in ESOS / Rights issue accounts	0.61	0.01	0.20	-
Term Deposits - Others	1.09	0.02	1.05	0.02
Closing Cash and Bank Balances	114.04	2.25	79.50	1.79

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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

Directors

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention and the accounts are prepared in accordance with the Generally Accepted Accounting Principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

II PRINCIPLES OF CONSOLIDATION:

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

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

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

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.

III TRANSLATION TO INDIAN RUPEES:

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

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

IV OTHER SIGNIFICANT ACCOUNTING POLICIES:

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

GENERAL INFORMATION

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

S.No.	Name	Country	% holding	Year ending on
Subsidiaries				
(a)	Ramco Systems Corporation	USA	98%	31 st March
(b)	Ramco Systems Limited	Switzerland	100%	31 st March
(c)	Ramco Systems Sdn. Bhd.	Malaysia	100%	31 st March
(d)	Ramco Systems Pte. Limited	Singapore	100%	31 st March
(e)	RSL Enterprise Solutions (Pty) Limited	South Africa	100%	31 st March
(f)	Ramco Systems Canada Inc.,	Canada	98%	31 st March
(g)	Ramco Systems FZ-LLC, Dubai (Incorporated during the year on June 22, 2011)	Dubai	100%	31 st March
Affiliate				
(a)	Citiworks (Pty) Limited earlier known as Redlex 47 (Pty) Limited	South Africa	30%	28 th February

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

	As at 31.03.2012 (Rs. Min.)	As at 31.03.2012 (USD Mln.)	As at 31.03.2011 (Rs. Min.)	As at 31.03.2011 (USD Mln.)
2 Share Capital				
Authorised				
50,000,000 (previous year 50,000,000) Equity Shares of Rs.10 each	500.00		500.00	
Issued				
15,865,921 (previous year 15,850,562) Equity Shares of Rs.10 each	158.66	3.64	158.51	3.63
Subscribed				
15,865,921 (previous year 15,850,562) Equity Shares of Rs.10 each	158.66	3.64	158.51	3.63
Paid-up				
15,516,743 (previous year 15,501,384) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	155.52	3.56	155.37	3.56
	155.52	3.56	155.37	3.56
The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share.				
2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:				
Shares outstanding at the beginning of the year 15,501,384 (previous year 15,357,986)	155.37	3.56	153.94	3.53
Shares issued during the year under ESOS 2008- 15,359 (previous year 143,398)	0.15	-	1.43	0.03
Shares outstanding at the end of the year 15,516,743 (previous year 15,501,384)	155.52	3.56	155.37	3.56
3 Reserves and Surplus				
Securities premium account (includes value of forfeited shares of Rs.111,910 (previous year Rs.111,910) for 349,178 shares)	1,949.57	45.10	1,948.91	45.09
Foreign currency translation reserve	63.54	(4.85)	40.80	(0.45)
Balance in Statement of Profit and Loss	(514.91)	(11.21)	(425.63)	(9.32)
	1,498.20	29.04	1,564.08	35.32
3.1 Securities Premium Account				
Opening balance	1,948.91	45.09	1,942.74	44.95
Shares issued during the year under ESOS 2008- 15,359 (previous year 143,398)	0.66	0.01	6.17	0.14
Closing balance	1,949.57	45.10	1,948.91	45.09
3.2 Balance in Statement of Profit and Loss				
Opening balance	(425.64)	(9.32)	(448.71)	(9.83)
Current year Profit / (Loss)	(89.27)	(1.89)	23.08	0.51
Closing balance	(514.91)	(11.21)	(425.63)	(9.32)
3.3 Foreign Currency Translation Reserve				
Opening balance	40.80	(0.45)	25.64	(1.18)
Movement during the year	22.74	(4.40)	15.16	0.73
Closing balance	63.54	(4.85)	40.80	(0.45)

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2012 (USD Mln.)	As at 31.03.2011 (Rs. Mln.)	As at 31.03.2011 (USD Mln.)
4 Long Term Borrowings				
Hire purchase loans, secured *	7.39	0.15	6.60	0.15

* Includes loan from Banks Rs. 0.27 Mln. USD 0.01 Mln. (previous year Rs. 0.47 Mln. USD 0.01 Mln.) and others Rs. 7.12 Mln. USD 0.14 Mln. (previous year Rs. 6.13 Mln. USD 0.14 Mln.)

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

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

As at 31.03.2012

Rate of Interest	2015-16	2015-16	2014-15	2014-15	2013-14	2013-14	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
8.50%	-	-	0.11	-	0.45	0.01	0.56	0.01
9.00%	-	-	0.56	0.01	1.32	0.03	1.88	0.04
10.25%	-	-	0.15	-	0.16	0.01	0.31	0.01
10.50%	0.01	-	0.54	0.01	0.64	0.01	1.19	0.02
11.50%	0.80	0.02	1.40	0.03	1.25	0.02	3.45	0.07
TOTAL	0.81	0.02	2.76	0.05	3.82	0.08	7.39	0.15

As at 31.03.2011

Rate of Interest	2014-15	2014-15	2013-14	2013-14	2012-13	2012-13	Total	Total
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
8.50%	0.12	-	0.45	0.01	0.41	0.01	0.98	0.02
9.00%	0.69	0.02	1.66	0.04	1.52	0.03	3.87	0.09
10.25%	0.15	-	0.16	0.01	0.14	-	0.45	0.01
10.50%	0.37	0.01	0.48	0.01	0.43	0.01	1.28	0.03
11.79%	-	-	-	-	0.02	-	0.02	-
TOTAL	1.33	0.03	2.75	0.07	2.52	0.05	6.60	0.15

5 Other Long Term Liabilities

Trade payables	2.36	0.05	2.36	0.05
Other long term liabilities *	38.39	0.76	37.31	0.84
	40.75	0.81	39.67	0.89

* Represents rental advance

6 Long Term Provisions

Provision for gratuity	18.52	0.37	17.79	0.40
Provision for leave encashment	91.51	1.80	68.14	1.54
	110.03	2.17	85.93	1.94

7 Short Term Borrowings

Loans repayable on demand from Banks, secured	110.00	2.17	80.00	1.81
Loans from Banks, unsecured	1,745.00	34.41	1,350.00	30.52
Loan repayable on demand from related parties, unsecured	130.00	2.56	120.00	2.71
	1,985.00	39.14	1,550.00	35.04

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

7.1 Short Term Borrowings Terms of Repayment and Security details

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

- (a) Rs.10.00 Mln. USD 0.20 Mln. (previous year Rs.10.00 Mln. USD 0.23 Mln.) secured by a pari-passu first charge on current assets including stocks and book debts and fixed assets of the Company except assets given as exclusive charge and assets acquired on hire purchase or lease and supported by Corporate Guarantee from Ramco Industries Limited and
- (b) Rs.100.00 Mln. USD 1.97 Mln. (previous year Rs.70.00 Mln. USD 1.58 Mln.) secured by a pari-passu first charge on the current assets including stocks and book debts and supported by Corporate Guarantee from Ramco Industries Limited.

Loans from Banks, unsecured, consists of :

- (a) Rs.1,450.00 Mln. USD 28.59 Mln. (previous year Rs. 1,150.00 Mln. USD 26.00 Mln.), supported by Corporate Guarantee from Madras Cements Limited and
- (b) Rs.295.00 Mln. USD 5.82 Mln. (previous year Rs.200.00 Mln. USD 4.52 Mln.), supported by Corporate Guarantee from Ramco Industries Limited.

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

- (a) Rs.130.00 Mln. USD 2.56 Mln. (previous year Rs.120.00 Mln. USD 2.71 Mln.) from Madras Cements Limited.

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2012 (USD Mln.)	As at 31.03.2011 (Rs. Mln.)	As at 31.03.2011 (USD Mln.)
8 Trade Payables				
Trade payables	233.30	4.59	209.50	4.71
9 Other Current Liabilities				
Finance lease obligations, secured @	-	-	4.75	0.11
Unearned revenue	162.94	3.21	129.18	2.92
Hire purchase Loans, secured #	3.47	0.07	2.51	0.06
Interest accrued and due	-	-	0.80	0.02
Interest accrued but not due	0.40	0.01	1.45	0.03
Share application money due for refund	0.03	-	0.03	-
Statutory dues payable	31.48	0.62	75.85	1.71
Expenses payable	30.88	0.61	89.88	2.03
Others *	21.23	0.42	19.71	0.45
	250.43	4.94	324.16	7.33

@ Secured by the asset covered by the finance lease (Refer Note No. 27)

Secured by hypothecation of assets (vehicles) procured under the hire purchase scheme. Includes loan from Banks Rs. 0.20 Mln. (previous year Rs. 0.38 Mln. USD 0.01 Mln.) and others Rs. 3.27 Mln. USD 0.06 Mln. (previous year Rs. 2.13 Mln. USD 0.04 Mln.)

* Includes advance collected from debtors and capital payables

10 Short Term Provisions

Provision for gratuity	22.45	0.44	-	-
Provision for superannuation, leave encashment	12.13	0.24	3.63	0.08
Provision for taxation	1.40	0.03	17.19	0.39
	35.98	0.71	20.82	0.47

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

	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2012 (USD Mln.)	As at 31.03.2011 (Rs. Mln.)	As at 31.03.2011 (USD Mln.)
12 Non-current Investments				
Trade, unquoted, long term				
Investments in Equity instruments - 300 shares (Previous year 300) of face value of ZAR 1 each in Citiworks (Pty) Limited, South Africa	0.90	0.02	5.19	0.12
13 Long Term Loans and Advances				
Unsecured, considered good				
Security deposits	37.09	0.73	31.05	0.70
Advance Tax and Tax deducted at source	91.54	1.81	56.95	1.29
Unsecured, considered doubtful				
Other long term loans and advances	-	-	0.71	0.02
Provision for doubtful advances	-	-	(0.71)	(0.02)
	<u>128.63</u>	<u>2.54</u>	<u>88.00</u>	<u>1.99</u>
14 Other Non-current Assets				
Trade receivables, unsecured, considered doubtful	161.14	3.18	35.06	0.79
Provision for doubtful trade receivables	(161.14)	(3.18)	(35.06)	(0.79)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
15 Inventories				
Stock-in-trade *	16.93	0.33	1.03	0.02
* Represents hardware and software materials held for resale, valued at cost or net realisable value whichever is lower and as certified by management				
16 Trade Receivables				
Unsecured, considered good				
a) Over six months from the date they were due for payment				
Trade receivables	337.90	6.66	106.57	2.41
b) Others				
Trade receivables	345.08	6.81	773.57	17.49
	<u>682.98</u>	<u>13.47</u>	<u>880.14</u>	<u>19.90</u>
17 Cash and Bank Balances				
Cash and cash equivalents				
Cash on hand	0.19	-	0.19	-
Balance with Banks	110.96	2.19	77.01	1.74
Other bank balances				
Term deposits held as margin money against bank guarantees	1.19	0.03	1.09	0.03
Term deposits others	1.09	0.02	1.05	0.02
Balance in Rights Issue / ESOS accounts	0.61	0.01	0.16	-
	<u>114.04</u>	<u>2.25</u>	<u>79.50</u>	<u>1.79</u>
18 Short Term Loans and Advances				
Unsecured, considered good				
Advance Tax and Tax deducted at source	-	-	12.38	0.28
Loans and advances others *	97.40	1.92	102.88	2.32
	<u>97.40</u>	<u>1.92</u>	<u>115.26</u>	<u>2.60</u>

* Includes customer security deposits, vendor advances, employee advances, statutory advances and prepaid expenses



	As at 31.03.2012 (Rs. Mln.)	As at 31.03.2012 (USD Mln.)	As at 31.03.2011 (Rs. Mln.)	As at 31.03.2011 (USD Mln.)
19 Other Current Assets				
Unbilled revenue	454.66	8.97	255.25	5.77
Software work in progress	2.47	0.05	12.97	0.29
Other current assets *	-	-	0.01	-
	457.13	9.02	268.23	6.06
* Represents interest accrued on fixed deposit with Banks				
	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2012 (USD Mln.)	Year ended 31.03.2011 (Rs. Mln.)	Year ended 31.03.2011 (USD Mln.)
20 Revenue from operations				
Software revenue (License & Services)	2,196.59	46.56	2,021.31	44.73
Value added resale software and hardware materials	33.19	0.70	19.26	0.43
	2,229.78	47.26	2,040.57	45.16
21 Other Income				
Interest income	1.73	0.04	13.38	0.30
Profit on sale of assets	0.06	-	0.11	-
Recovery of expenses from customers	59.48	1.26	36.32	0.80
Rent income	46.49	0.99	45.35	1.01
Other income	3.91	0.08	6.42	0.14
	111.67	2.37	101.58	2.25
22 Changes in Inventories of Stock-in-trade				
Opening stock	1.03	0.02	0.48	0.01
Closing stock	16.93	0.33	1.03	0.02
	(15.90)	(0.31)	(0.55)	(0.01)
23 Employee Benefit Expense				
Salaries, wages, bonus etc.,	1,038.21	22.01	809.71	17.92
Provident fund contribution	55.34	1.17	46.00	1.02
Gratuity and other retirals	45.83	0.97	28.45	0.63
Staff welfare (Refer note no. 25.1)	8.05	0.17	11.31	0.25
	1,147.43	24.32	895.47	19.82
24 Finance Costs				
Interest on loans (Refer note no. 25.1)	24.92	0.52	135.02	2.99
Other finance costs	0.76	0.02	0.02	-
	25.68	0.54	135.04	2.99

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

	Year ended 31.03.2012 (Rs. Mln.)	Year ended 31.03.2012 (USD Mln.)	Year ended 31.03.2011 (Rs. Mln.)	Year ended 31.03.2011 (USD Mln.)
25 Other Expenses				
Advertisement & sales promotion	82.23	1.74	129.38	2.86
Bank charges	2.72	0.06	3.79	0.08
Bad and doubtful debts	26.07	0.55	6.94	0.15
Consultancy charges	39.66	0.84	31.57	0.70
Foreign exchange fluctuation, net	(29.10)	(0.62)	5.19	0.11
Insurance	7.35	0.16	7.16	0.16
Loss on sale of fixed assets	1.71	0.04	4.55	0.10
Office maintenance	18.44	0.39	17.41	0.39
Outsourcing costs	137.73	2.92	103.64	2.29
Provision for doubtful debts	99.17	2.10	28.36	0.63
Power & fuel	13.20	0.28	12.20	0.27
Printing & stationery	2.58	0.05	2.98	0.07
Postage & telephone	37.95	0.80	34.16	0.76
Rent	167.69	3.55	156.53	3.46
Repairs - buildings	0.01	-	0.21	-
Repairs - plant & machinery	9.73	0.21	12.00	0.27
Repairs - others	6.85	0.15	5.14	0.11
Rates & taxes	21.63	0.46	10.65	0.24
Sales commission and other selling	42.56	0.90	45.56	1.01
Travel & conveyance	219.06	4.64	177.35	3.92
Unfructified patent expenses	25.39	0.54	-	-
Other miscellaneous expenses	30.89	0.68	19.96	0.44
	963.52	20.44	814.73	18.02

25.1 The Company had so far been capitalising only the employee benefit expenses (other than staff welfare), power & fuel and consultancy & outsourcing expenses pertaining to the Research and Development activities. During the year, in addition to these costs, following have also been capitalised (Refer item no. III (B) – Intangible Assets and item no. XI – Borrowing Costs under Significant Accounting Policies in Note No.1 to the standalone financial statements).

	(Rs. Mln.)	(USD Mln.)
Finance costs	165.11	3.50
Staff welfare	8.02	0.17
Travel & conveyance	0.17	0.01
Postage & telephone	1.12	0.02
Other miscellaneous expenses	1.07	0.02
Total	175.49	3.72

The Company had thus capitalised the expenses pertaining to the Research and Development activities amounting to Rs.508.98 Mln. USD 10.79 Mln. during the year (previous year Rs.270.62 Mln. USD 5.99 Mln.).

26 Contingent Liabilities

Particulars	As at	As at	As at	As at
	31.03.2012 (Rs. Mln.)	31.03.2012 (USD Mln.)	31.03.2011 (Rs. Mln.)	31.03.2011 (USD Mln.)
(a) Estimated amount of contracts remaining to be executed on capital account	22.01	0.43	4.77	0.11
(b) Bank Guarantees	38.38	0.76	77.15	1.74
(c) Letters of Credit	-	-	2.80	0.06
(d) Disputed Income Tax demand - pending before the first appellate authority	9.84	0.21	-	-

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

27 Obligations towards finance leases

	As at 31.03.2012		As at 31.03.2011	
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
Reconciliation between total minimum lease payments at the Balance Sheet date and their Present Value:				
Total minimum lease payments at the Balance Sheet Date	-	-	4.98	0.11
Present Value of the minimum lease payments at the Balance Sheet date	-	-	4.75	0.11
	-	-	0.23	-
Difference being:				
Interest accrued, but not due at the Balance Sheet Date	-	-	0.10	-
Future interest payable during the balance lease term	-	-	0.13	-
	-	-	0.23	-
Minimum Lease Payments:				
Less than one year	-	-	4.98	0.11
One to five years	-	-	-	-
Total	-	-	4.98	0.11
Present value of minimum Lease Payments:				
Less than one year	-	-	4.75	0.11
One to five years	-	-	-	-
Total	-	-	4.75	0.11

28 Minority Interest & Equity in Earnings

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

Proportionate equity in the earnings of the Affiliate Citiworks (Pty) Limited, South Africa for the year Mar 2011-Feb 2012 is clubbed with the value of investment.

29 Segment Revenue

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

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

30 Related Party Transactions

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

a. Key Management Personnel and Relatives

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

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

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

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

Particulars	Transactions during 2011-12		Outstanding as at 31.03.2012		Transactions during 2010-11		Outstanding as at 31.03.2011	
	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)	(Rs. Mln.)	(USD Mln.)
Income from Sale of goods & services								
Madras Cements Limited	198.71	3.92	1.37	0.03	117.41	2.60	5.96	0.13
Ramco Industries Limited	19.76	0.39	-	-	11.24	0.25	0.51	0.01
Rajapalayam Mills Limited	1.27	0.02	-	-	1.31	0.03	-	-
The Ramaraju Surgical Cotton Mills Limited	0.82	0.02	-	-	0.32	0.01	-	-
Sri Vishnu Shankar Mills Ltd	0.66	0.01	-	-	0.61	0.01	-	-
Sandhya Spinning Mill Ltd	0.55	0.01	-	-	0.53	0.01	-	-
Thanjavur Spinning Mill Limited	0.32	0.01	-	-	0.28	0.01	-	-
Rajapalayam Spinners Limited	0.14	-	-	-	0.11	-	-	-
Sri Harini Textiles Limited	0.09	-	-	-	0.07	-	-	-
Swarna Boomi Estate	0.40	0.01	-	-	-	-	-	-
Thanga Vilas Estate	0.62	0.01	-	-	-	-	-	-
Loans availed								
Madras Cements Limited	1,012.50	19.97	130.00	2.56	1,202.00	27.18	120.00	2.71
Interest - Expense								
Madras Cements Limited	17.35	0.34	-	-	10.45	0.23	-	-
Rent - Expense								
Madras Cements Limited	78.23	1.54	-	-	78.23	1.77	-	-

Notes:

- a) Details of corporate guarantees given by the Group are given in Note No.7.1 above.
- b) Details of transactions with Key Management Personnel and Relatives:
 - (i) Remuneration paid to Shri P.R. Venketrama Raja is Rs.1.17 Mln. USD 0.03 Mln. (Previous year Rs.1.17 Mln. USD 0.03 Mln.).
 - (ii) Sitting fee paid to Shri P.R. Ramasubrahmaneya Rajha Rs.0.04 Mln. USD 0.00 Mln. (Previous year Rs.0.04 Mln. USD 0.00 Mln.).



31 Current Tax

Ramco Systems Limited, India

No provision for Tax for the Company (including its Branches at United Kingdom and Germany) has been made in view of absence of taxable profits during current and previous year. Profits of the Dubai Branch are tax free. The current taxation during the previous year, represents the provision made for tax on the book profits, computed under Sec.115JB of the Income Tax Act, 1961.

No provision for taxation has been made by subsidiaries, except Ramco Systems Corporation, USA in the absence of taxable profits. It includes credit for tax refund due in respect of Ramco Systems Canada Inc., Canada. The Tax provision for the previous year represents the provision made by Ramco Systems Corporation, USA and Ramco Systems Canada Inc., Canada.

32 Deferred Tax

Ramco Systems Limited, India

The Company has net deferred tax assets as at March 31, 2012 and as on March 31, 2011, which arise mainly on account of carry forward losses. However, the Company has not taken credit for such net deferred tax assets.

In the case of subsidiaries, deferred tax asset / liability to the extent provided in their accounts, has been considered.

- 33** For translating local currency of subsidiaries into Indian Rupees the exchange rate applied is as per serial number III of the accounting policies given in Note No. 1. The figures in the US Dollars given alongside the Indian Rupees are provided by way of additional information and are obtained by converting the assets and liabilities at the exchange rates in effect at the balance sheet date, except share capital and share premium which are converted at the exchange rate prevailing on the date of transaction and the revenues, costs and expenses at the average exchange rate prevailing during the reporting period. The resultant gains or losses are taken to the translation reserve.
- 34** The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.
- 35** The figures in Rupees and USD have been rounded off to the million in both current and previous year.

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

C N GANGADARAN
Partner
Membership No.:11205

Place : Chennai
Date : May 24, 2012

P R RAMASUBRAHMANEYA RAJHA
Chairman

G VENKATRAM
Company Secretary

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

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

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES

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

Name of the Subsidiary	Year	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit After Tax	Proposed dividend	Exchange Rate used (Rs. per unit of foreign currency)	
												B/S	P&L
												(Rs. Mln.)	(Rs. Mln.)
Ramco Systems Corporation, USA	2011-2012	105.74	(13.42)	224.31	224.31	0.43	363.13	(60.60)	0.65	(61.25)	-	50.71	47.17
	2010-2011	105.74	31.86	253.82	253.82	0.43	356.51	1.93	0.45	1.47	-	44.23	45.19
Ramco Systems Ltd., Switzerland	2011-2012	29.33	16.09	75.04	75.04	-	121.81	10.07	-	10.07	-	55.88	53.49
	2010-2011	29.33	0.98	48.74	48.74	-	65.34	(48.56)	-	(48.56)	-	47.95	44.34
Ramco Systems Sdn. Bhd, Malaysia	2011-2012	18.22	10.71	38.70	38.70	-	37.13	0.42	-	0.42	-	16.81	15.65
	2010-2011	18.22	6.69	34.01	34.01	-	33.89	(0.66)	-	(0.66)	-	14.79	14.50
Ramco Systems Pte. Ltd., Singapore	2011-2012	18.62	(17.15)	31.45	31.45	-	83.82	(4.64)	-	(4.64)	-	40.25	37.55
	2010-2011	18.62	(12.23)	42.92	42.92	-	93.90	1.04	-	1.04	-	34.96	33.66
RSL Enterprise Solutions (Pty) Ltd., South Africa	2011-2012	-	42.18	174.46	174.46	-	232.36	3.49	0.22	3.27	-	6.44	6.26
	2010-2011	-	41.55	259.44	259.44	-	292.42	11.05	2.07	8.97	-	6.31	6.13
Ramco Systems Canada Inc., Canada	2011-2012	0.43	5.10	80.61	80.61	-	260.78	(13.65)	(5.18)	(8.47)	-	50.58	47.44
	2010-2011	0.43	12.39	78.76	78.76	-	114.36	14.24	4.40	9.83	-	45.36	44.03
Ramco Systems FZ-LLC, Dubai	2011-2012	0.62	3.38	20.08	20.08	-	25.80	3.51	-	3.51	-	13.54	12.59
	2010-2011	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: Ramco Systems FZ-LLC, Dubai has been incorporated as 100% subsidiary on June 22, 2011.

P R RAMASUBRAHMANEYA RAJHA
Chairman

S S RAMACHANDRA RAJA
Director

V JAGADISAN
Director

N K SHRIKANTAN RAJA
Director

M M VENKATACHALAM
Director

A V DHARMAKRISHNAN
Director

Place: Chennai
Date : May 24, 2012

G VENKATRAM
Company Secretary

R S AGARWAL
Director

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Ramco Systems Limited

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RAMCO SYSTEMS LIMITED

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

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



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Ramco Systems Limited, will be held on Thursday, the 2nd August, 2012, at 11.45 A.M. at Shri P A C Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam - 626 108 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditor thereon.
2. To appoint a director in the place of Shri S S Ramachandra Raja, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Shri V Jagadisan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in the place of Shri R S Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. CNGSN & Associates, Chartered Accountants, Chennai, as the Statutory Auditors of the Company, who retire at the conclusion of this Annual General Meeting, to hold office until the conclusion of the next Annual General Meeting, on a remuneration of Rs.8,50,000/- (Rupees Eight lakhs and fifty thousands only) exclusive of Service Tax and Out of Pocket Expenses.

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

P R RAMASUBRAHMANEYA RAJHA
CHAIRMAN

Place : Chennai

Date : 24th May, 2012

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. Additional information in respect of the Directors seeking re-election as required to be disclosed under the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.
3. Members are requested to intimate any change in address or bank mandates to their Depository Participant with whom they are maintaining their demat accounts for shares held in electronic mode or to the Registrar and Share Transfer Agents of the Company, if the shares are held in physical form.
4. The Register of Members of the Company would remain closed on Thursday, the 2nd August, 2012, for the purpose of compliance with Clause 16 of the Listing Agreement.
5. Members / Proxies should bring the Attendance slip sent herewith, duly filled in, for attending the meeting. The Corporate Members are requested to bring a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

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

As per the provisions of Section 256 of the Companies Act, 1956, Shri S S Ramachandra Raja, Shri V Jagadisan and Shri R S Agarwal, Directors, are retiring by rotation and are seeking re-election at the ensuing Annual General Meeting.

In terms of the requirement of provisions of Clause 49 of the Listing Agreement, the following information is provided in respect of the above Directors retiring by rotation:

Shri S S Ramachandra Raja

Shri S S Ramachandra Raja aged 76 years, holds a degree in Science from the University of Madras. He is a member of the Audit Committee of the Board of Directors of the Company. He is a director of the Company since incorporation.

He is on the Board of following other Public Limited Companies:

Sl. No.	Name of the Company	Designation
1	Rajapalayam Mills Limited	Director
2	Sri Vishnu Shankar Mill Limited	Director
3	Ramco Industries Limited	Director

Shri S S Ramachandra Raja, holds 30,158 equity shares in the Company.

Shri V Jagadisan

Shri V Jagadisan, aged 79 years, Independent Director, is a Senior Chartered Accountant and a Tax Consultant in Chennai. He has been on the Board of the Company since June, 2001. Shri V Jagadisan is a member of the Audit Committee, Compensation Committee, Remuneration Committee and Allotment Committee of the Board of Directors.

He is on the Board of following other Public Limited Companies:

Sl. No.	Name of the Company	Designation
1	PEC Potentiometers Limited	Director
2	KG Denim Limited	Director

Shri V Jagadisan, holds no shares in the Company.

Shri R S Agarwal

Shri R S Agarwal, aged 69 years, is a Bachelor of Science and holds a Degree in Chemical Engineering. He started his career in 1965 and after serving in various capacities with a leading paper Mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, he has retired as an Executive Director of IDBI. While in service with IDBI, he has dealt with many subjects and projects including Member of "Satyam Committee" set up by Government of India in 1999-2000 for formulation of policy for textile industry, involvement in preparation of policy notes, detailed guidelines and implementation of "Technology Upgradation Fund (TUF)" introduced by the Ministry of Textiles, Government of India in April 1999, involvement in preparation of policy paper and guidelines on development of "Special Economic Zone" in the country for the Ministry of Commerce, Government of India in January 2002.

He has headed the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250MW to 500MW were evaluated and sanctioned under assistance by IDBI.

He is on the Board of following other Public Limited Companies:

Sl. No.	Name of the Company	Designation
1	Madras Cements Limited	Director
2	Ramco Industries Limited	Director
3	Surya Lakshmi Cotton Mills Limited	Director
4	Surya Lata Spinning Mills Limited	Director
5	Elegant Marbles & Granite Industries Limited	Director
6	Videocon Industries Limited	Director
7	Liberty Videocon General Insurance Company Limited	Director

Shri R S Agarwal, holds no shares in the Company.

Interest of Directors

Shri S S Ramachandra Raja, Shri V Jagadisan and Shri R S Agarwal may be deemed to be concerned or interested in their re-appointment. No other Directors are deemed to be concerned or interested.

By Order of the Board
For RAMCO SYSTEMS LIMITED

Place: Chennai
Date : 24th May, 2012

P R RAMASUBRAHMANEYA RAJHA
CHAIRMAN

