

July 14, 2023

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

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

Dear Sir/Madam,

Sub: Submission of Annual Report 2022-23 (including the Notice of 26th Annual General Meeting and Business Responsibility and Sustainability Report)

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23.

The Annual Report for the financial year 2022-23 is being despatched today to the Members electronically who have registered their email IDs. The same is also available through the following link on the Company's website <https://www.ramco.com/hubfs/investor-relations/annual-report-2022-23.pdf>.

Brief details of the 26th Annual General Meeting:

Date & Time of the Meeting	August 10, 2023 at 3.00 P.M.
Mode of the Meeting	Video Conference / Other Audio-Visual Means
Cut-off date for E-Voting	August 03, 2023
E-Voting start time, day & date	09:00 a.m. on Monday, the August 07, 2023
E-Voting end time, day & date	05:00 p.m. on Wednesday, the August 09, 2023
Website for casting the vote and to participate in the Meeting	https://www.evotingindia.com

Kindly take on record the same.

Thanking you,
For **RAMCO SYSTEMS LIMITED**

VIJAYARAGHAVAN NE
COMPANY SECRETARY

Encl: As above

Ramco Systems Limited

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

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

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

www.ramco.com

ramco



RAMCO SYSTEMS LIMITED
ANNUAL REPORT 2022-23



“GURUBAKTHAMANI”
SHRI P R RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Former Chairman

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Market Capitalization as on March 31, 2023, at BSE	Rs.6,693.27 Mln.
Market Capitalization as on March 31, 2023, at NSE	Rs.6,730.26 Mln.
CIN	L72300TN1997PLC037550
BSE Code	532370
NSE Symbol	RAMCOSYS
AGM Date	August 10, 2023
AGM Venue	Virtual Meeting
AGM Mode	Video Conferencing / Other Audio Visual Means

Scan this QR code to navigate investor related information



An electronic version of this report is available online at:

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

Cautionary Statement Regarding Forward-Looking Statement

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

➤ BOARD OF DIRECTORS

Mr. P R Venketrama Raja
Chairman

Mr. P V Abinav Ramasubramaniam Raja
Whole Time Director

Mr. M M Venkatachalam
Independent Director

Mr. A V Dharmakrishnan
Non-Independent Director

Mr. R S Agarwal
Independent Director

Mrs. Soundara Kumar
Independent Director

Mr. Sankar Krishnan
Non-Independent Director

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

➤ STATUTORY AUDITORS

Messrs M. S. Jagannathan & N. Krishnaswami,
Chartered Accountants, Tiruchirappalli

➤ INTERNAL AUDITORS

Messrs SRSV & Associates,
Chartered Accountants, Chennai

➤ SECRETARIAL AUDITORS

Messrs S. Krishnamurthy & Co.,
Company Secretaries, Chennai

➤ BANKERS

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

➤ ADDRESSES

Registered Office

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

Corporate Office & Research and Development Centre

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

➤ SUBSIDIARIES

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

➤ REGISTRAR AND SHARE TRANSFER AGENT

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

At Ramco, we see the future as an opportunity to help our customers all over the world by accelerating their digital transformation. By prioritizing innovation, technology, and our people, we've been able to consistently improve our offerings and keep up with the ever-changing needs of our customers. We've embraced automation and aligned ourselves with future trends to ensure that we're ahead of the curve.

Over the past year, we've seen commendable expansion in our addressable markets, grew our customer base, improved our product lines, enhanced our customer service, and executed our projects with exceptional quality.

Our unwavering focus on continuous improvement is complemented by our boundless enthusiasm for the opportunities that lie ahead. We fully embrace the concept of 'future forward' and eagerly anticipate the many exciting possibilities that it presents. With this mindset, we are committed to pursuing innovation and excellence, positioning ourselves to remain at the forefront of technological advancement and digital transformation.

USD **61.79** Mln.

Annual Revenue

19

'Mln. Dollar Plus' Deals

USD **90.05** Mln.

Order Wins



25%

Progressing

Over the years, Ramco has maintained a consistent track record of delivering tangible business value in ERP across various sectors, including Asset Management, Maintenance Service Providers, Logistics Service Providers, Aviation MRO, M&E, Aerospace & Defense, and Global Payroll & HR (HRP). We offer the most suitable deployment models, whether it's Cloud (public or private), On-Premises, or as Managed Service, to cater to our clients' specific needs. Our expertise and commitment to operational excellence have played a crucial role in simplifying the digital transformation journey for clients worldwide.

We are poised to provide innovative enterprise solutions that enable organizations to transform with ease and utmost flexibility.

Technology

Delivering meaningful solutions by leveraging best-in-class technology lies at the core of our operations. We consistently stay up-to-date with global trends and transform them into innovative offerings through AI & ML enabled solutions.

Customer Centricity

Understanding customers' needs and adopting best industry practices that are at the heart of Ramco. With customer-centric approach, Ramco is a fast-growing enterprise software player that has been delivering measurable business value in the fields of ERP, Logistics, Global Payroll and HR, and M&E MRO for Aviation.

Innovation & Culture

Innovation and Culture differentiates us from the rest. We continuously strive to offer disruptive solutions and diversified products that challenge traditional industries.



Our Strong Foothold

India- Chennai (HO), Bengaluru, Gurugram, Rajapalayam and Madurai

America- New Jersey, Texas, Virginia

Canada- Vancouver

Europe- United Kingdom, Switzerland, Germany and Spain

Middle East- Dubai, U.A.E., Qatar, Saudi Arabia

Africa- Durban, Sudan

Asia- Singapore, Malaysia, Indonesia, Hong Kong, China, Vietnam, Philippines, Macao, Japan

ANZ- Australia, New Zealand

Part of USD, Bln. **1B**
Ramco Group of Companies

12 Patents
in Enterprise Application Space in the Last 2 Decades

1,000+
Customers

15,000+
Users

30
Offices Worldwide

1,800+ Employees
Male 1,100+ | Female 750+

One of the **first IP-led**
Ramco Group of Companies

Delivery Excellence

Ramco has a rich history of delivering holistic enterprise solutions that empower businesses to undergo full-scale real-time transformations. By embracing various tools and processes such as RPA, test automation, DevOps, release management, and more, we continuously enhance our product features. This allows us to facilitate faster go-lives and expedite customer deliveries, ensuring swift implementation and satisfaction.

People

We foster the growth of our team by placing a strong focus on continuous learning, development, and training. Our investments in building a talented workforce not only amplify our organizational growth initiatives but also drive our success in delivering exceptional results.

Today, our services are touching millions of lives every day, through our customers across the globe including tech giants, aviation companies, automotive manufacturers, educational institutions, telecom, FMCG and logistics departments. We are committed to constantly improve, evolve and innovate so that we can serve our customers and users, while leveraging the power of technology.

We continue to scale our business rapidly through a combination of our groundwork data with AI and ML-driven infrastructure, winning more business from all industry verticals.

- Rigorous investment in frictionless computing
- Redefining event-driven architectures and systems
- Enhanced technology for risk monitoring and regulatory compliances
- Leveraging our knowledge repository for futuristic solutions
- Digitally transforming solutions for our customers
- Automating compliances for simplifying operations
- Voice-based data entries
- Investing in advanced technology and tools for better delivery to market





Connected Data

Connecting through Virtual Reality and Augmented Reality

Natural Language

Bringing dynamic changes through various methodologies

Artificial Intelligence & Machine Learning

AI - Simulation of human intelligence processes by machines ML -Utilizing the power of Machine to Machine, Machine to BOT

Zero UI

Seamless and natural user experience

Anticipatory Computing

Predict user needs and proactively respond

Business Process Innovation

Making businesses simpler and enhancing excellence

Event Driven Architecture (EDA)

Flexible and responsive approach to building software systems enabling efficient communication and adaptability

Blockchain

A refreshing touch to the most adaptive technologies

Big Data

Machine-assisted decision making by predictions and scenario evaluation

IoT

Revolutionizing client processes and bringing operational efficiency





Dear Shareholders,

It is with immense gratitude that I address you with my thoughts in this annual report. The year was marked by unwavering momentum and continuous evolution. As a trusted growth partner, we have remained dedicated to providing future-ready solutions that empower our clients and stakeholders. With our theme for the year, 'Future Forward' we are poised to stride while maintaining a steadfast focus on innovation, actionable business intelligence, and leveraging the power of technology to drive customer delight and growth.



The world we inhabit is being reshaped by the rapid advancements in technology. This transformative force enables companies to scale and adapt swiftly, fuel innovation, foster business agility, drive digital transformation, optimize costs, and streamline operations. Ramco recognizes the power of transformative technologies as a driving force and stands ready to lead the charge in ushering in a digital revolution.

Reflecting on FY 2022-23, it was a year of reassurance for the Company. With the global economy experiencing significant momentum despite the pandemic and economic crises, we stepped into the year with an encouraging movement in the pipeline. Our thrust on building an in-depth offering embedded with future-ready technology helped us garner a prominent position in the market. This in turn motivated us to continue focus on our core operations and improve our key parameters. Throughout the year, our emphasis on next-gen technology, together with the right investments in products, people, partnerships, and platforms, has yielded results. We witnessed good momentum across geographies on the back of customer wins across Aviation, Banking, Healthcare, and Technology, reposing faith in our ability to build sustainable solutions that deliver differentiated value.

Our investments in the automation of implementation and deployment processes, on the other hand, have also started showing results in reliable and faster project deployments and are thereby improving our ability to provide enhanced customer experience.

Throughout the year, our primary objective has been to develop sustainable solutions that leverage technology to create a positive impact on communities while enhancing operational efficiency for businesses. With the progress we have achieved, and the growth we have witnessed

in order bookings, we are confident in entering the next financial year with a healthy revenue visibility, maintaining our momentum and efficiently expanding our business development pipeline.

Furthermore, we remain steadfast in our ESG commitments and are collectively working towards an inclusive and sustainable future. The subsequent pages provide a comprehensive breakdown of our vertical-wise business performance and noteworthy accomplishments.

We believe that our initiatives will help position ourselves well in the market and enable us to be ready to embrace the next phase of growth. As we look ahead, we see brighter opportunities and continue to invest in emerging technologies. Our entrepreneurial abilities combined with our constant pursuit to be future-ready is in line with our theme "Future Forward". The future is going to be all about creating value for our customers and we will enable our clientele to navigate a changing world and transform their organizations to thrive digitally.

I would like to extend my heartfelt appreciation to our esteemed stakeholders for their unwavering support, our dedicated employees for their tireless efforts and commitment, and our valued customers and partners for their trust and collaborative spirit. Together, we have established a strong foundation. I am sincerely grateful to our investors, bankers, and all other stakeholders for their unwavering belief in our vision. As we embark on the next phase of our journey, I am filled with optimism. Our relentless dedication to excellence, integrity, and innovation will continue to propel us forward.

Warm Regards,

P R Venketrama Raja
Chairman

MESSAGE FROM COO

Dear Shareholders,

I extend my warm greetings to each one of you as we present this annual report, which highlights our achievements, progress, and future outlook. We have navigated through turbulent times by staying focused on our goals and adapting swiftly to changing circumstances. Our dedication to innovation, resilience, and collaboration has enabled us to overcome obstacles and seize opportunities for growth.



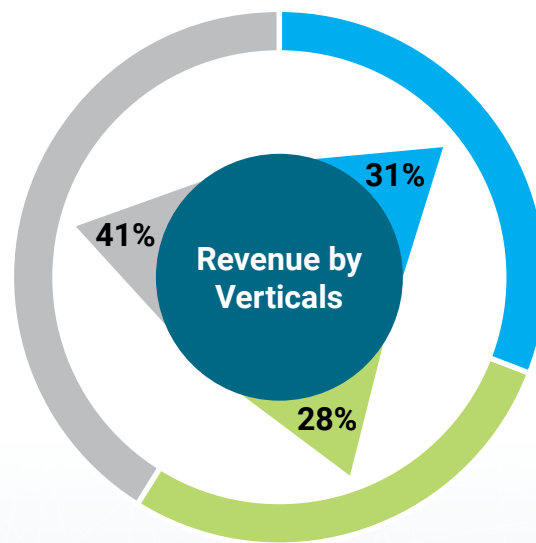
In the face of the challenges brought about by the Covid-19 pandemic, our dedication to investment has remained resolute. Throughout the past year, we have witnessed growth in our addressable markets, successfully expanded our customer base, enhanced our product lines, and elevated our customer service standards. We have executed our projects with exceptional quality, further solidifying our position in the industry. The increased investments we have made in these vital areas have yielded positive outcomes, resulting in a significant bolstering of our orderbook and pipeline. As we continue to engage in negotiations and advanced discussions for new projects, we anticipate that our performance across all business units and geographies will be further enhanced, paving the way for continued growth and success.

I am pleased to announce that over the course of the year, we successfully raised Rs.130 cr. through a preferential

issue of shares. These funds allocated towards various strategic initiatives, including the repayment of existing loans, fortifying our product portfolio, and enhancing our sales and marketing efforts. This infusion of capital will enable us to further strengthen our position in the market, expand our reach, and propel our growth trajectory.

Our constant efforts are driven by innovation and people. It enables us to deliver forward-thinking solutions, leveraging automation-driven technologies across all our strategic business units. We are committed to developing next-generation solutions that support our clients' transformative journeys. As we move ahead, our values, principles, and sense of purpose continue to inspire us to contribute to a better world through digitization and sustainable practices.

Sandesh Bilagi
COO



- Aviation, Aerospace & Defense
- ERP
- Global Payroll and HR

#1

GEOGRAPHIC EXPANSIONS AND APPOINTMENTS

Announced the opening of our wholly owned subsidiary in Qatar, to support and transform the region's business houses and MNCs in the area of ERP, HR, and payroll. Ramco's expansion into Qatar will enable the Company to not only better serve its existing clientele, but also empower other local enterprises embrace digital transformation and derive significant business benefits.

We at Ramco have been witnessing continuous growth in the multi country payroll market. In order to bring in diverse global experience and keep pace with the changing industry demands, during the year, we announced the appointment of senior leaders to drive growth for our HR & Payroll business. The appointment of these senior leaders will empower our Managed Payroll Services team to reach new heights.



Australia is a strategic market for Ramco. With a quest to strengthen the Company's presence, drive further growth and focus on delivering excellence in the region, we made key appointments of leadership team members who brought in decades of experience with them. These senior leaders will further strengthen the Company's position as an international tech leader.



#2

BUILT STRATEGIC PARTNERSHIPS

Throughout the year, we forged robust partnerships that have significantly strengthened our position in the market. We are highly optimistic about our ability to deliver tangible business value to each and every one of our clients. Our unwavering dedication to growth and client success has been the driving force behind our sustained efforts.

Etihad Airways Engineering

Etihad Airways Engineering, a global leader in aircraft maintenance and engineering solutions, partnered with Ramco to implement Ramco's Aviation Suite V5.9. The project was announced at the prestigious 2023 MRO Middle East event in Dubai.

Philippine Airlines, Inc.

Philippine Airlines Inc. (PAL) signed an agreement to implement the cutting-edge Aviation Suite V5.9. This transformative solution will replace existing standalone legacy systems, leading to improved integration, automation, and enhanced business performance across PAL and its affiliate, PAL Express.

Nova Systems

Secured a contract from Nova Systems, a renowned global engineering services and technology solutions company, for the implementation of Ramco's 'Aviation M&E MRO Suite V5.9' software. Nova Systems will benefit from Ramco's comprehensive aviation software, which includes modules for aviation manufacturing, maintenance, supply chain management, and compliance management.

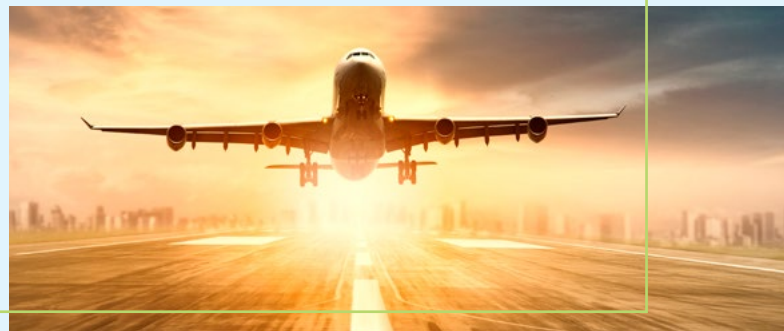
Brunei Shell Petroleum

Shortlisted to deploy a comprehensive Aviation, Aerospace, and Defense software at Brunei Shell Petroleum Co. Sdn. Bhd. (BSP), the largest oil and gas

company in Brunei. This implementation will seamlessly integrate and automate BSP's aviation operations through Ramco's full suite of software solutions.

General Atomics Aeronautical Systems, Inc. (GA-ASI)

Partnered with General Atomics Aeronautical Systems, Inc. (GA-ASI), a renowned global leader in unmanned aerial systems, to deploy Ramco's Aviation M&E MRO Suite V5.9. This implementation will support GA-ASI's SkyGuardian Global Support Solutions (SGSS) program, offering a range of modules including Maintenance Planning & Execution, Engineering & Fleet Airworthiness Management, Supply Chain Management, Technical Publication and Digital Task Cards, Safety, Quality & Compliance, and Employee Certifications & Qualification. The integration of these modules will provide GA-ASI with an aviation-specific ERP solution tailored to their requirements and business decisions.





Addison & Co.

Secured a contract from Addison & Co. to deliver its advanced ERP software. The comprehensive ERP solution will encompass modules for Finance & Accounts, Inventory, Purchases, Sales, Production, Quality Management, and Maintenance Management. Additionally, it will include a Supplier & Customer Portal, all integrated into a single platform. This implementation will enable Addison to access real-time information and leverage powerful reporting capabilities, empowering them in making informed business decisions.



Kudu Company for Food and Catering

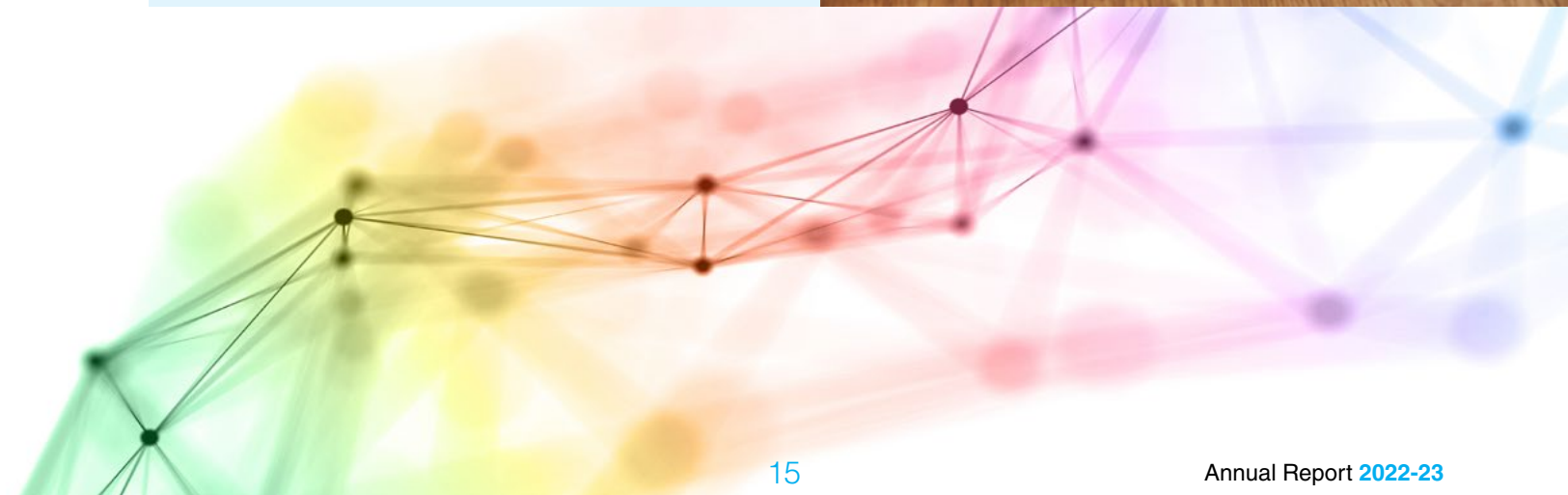
Signed an agreement with Kudu Company for Food and Catering, a leading restaurant chain in the Kingdom of Saudi Arabia to digitally transform payroll and HR operations.

Australia and New Zealand's Largest Banking and Financial Services Company

Secured a contract from the largest banking group in New Zealand and the Pacific, to provide consolidated payroll services.

Global Pioneer in Pharmaceuticals and Diagnostics

Bagged a deal from the leading healthcare company for Ramco's Managed Payroll Services.



#1

RAMCO AVIATION – A FORWARD LEAP

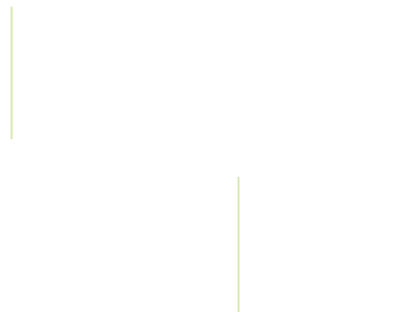
The aviation industry has undergone significant transformations in the recent years, and Ramco stands at the forefront of providing top-notch aviation maintenance software solutions. Our flagship product, Ramco Aviation, offers comprehensive and integrated solutions that facilitate the digital transformation of key players operating in this segment.

Ramco leverages the power of (AI), Machine Learning (ML), Automation, Workforce and Skills, Biometrics, and other technological advancements to deliver a diverse range of offerings that enhance operational efficiency. Our cutting-edge aviation maintenance mobility solutions empower clients to go fully digital, work on the go, and eliminate paper-based processes. By leveraging the power of AI and ML, we enable clients to gain a competitive edge and reduce turnaround time. We prioritize the adoption of new product development features to accelerate benefits for our existing customer base.

At the heart of our product offerings is a customer-centric approach that drives efficiencies through digitization, automation, and optimization. This philosophy resonates well within the industry and is a key factor in customers appreciation of our deep product capabilities.

Key Developments of FY 2022-23

Client Additions





Key Product Innovations

Enabling Paperless Operations

Our advanced digital tech records revolutionize maintenance operations by providing clients with a paperless experience. The integration of our enhanced ePublications module with our comprehensive and native mobile 'Anywhere' apps enables clients to access and manage maintenance information anytime, anywhere. We have further enhanced our ePubs module to support multiple OEM document types, ensuring compliance with iSpec 2200 and S1000D specifications. This expansion allows our clients to leverage a broader range of industry-standard document formats for their maintenance processes. Ramco's Digital Task Cards is yet another feature that helps the mechanics access task cards, perform tasks and sign-off digitally, without navigating through the application, just by using the Mechanic Anywhere mobile app.

Managing Complex Assembly Maintenance

As part of our ongoing efforts to deliver comprehensive enhancements, we have successfully implemented improvements in work planning, execution, and closure functions, particularly in complex assembly maintenance processes. With these advancements, we have introduced robust modelling capabilities for complex assembly configurations and engineering evolutions, encompassing piece parts and repair schemes. This enables us to provide a more comprehensive and effective solution for managing complex assembly maintenance operations.

Driving Efficiency through Enhanced Usability

We continuously aim to enhance the user experience for our end-users by implementing enhanced system design. Ramco's Customer Portal is one such key differentiator in this functional area. Ramco's robust customer portal is a gateway connecting MROs and operators for a smooth billing process, thereby offering a seamless mode of communication throughout their journey. By automating standard processes through configurable rules, we minimize the need for manual intervention, providing user with seamless and efficient experience.

Improved MRO Contracts and Billing

We have made significant enhancements to our Integrated MRO Contract & Billing framework, incorporating additional configuration modelers to effectively manage unique variants in scope of work, pricing, and contractual terms beyond the standard agreement. These enhancements enable flexible modeling of complex contractual terms across MRO various business. This ensures that our system can accommodate diverse contract requirements and support seamless contract management across different aspects of MRO operations.

Deeper Penetration of Mobile Apps

The invention of Ramco's mobile apps Ramco Anywhere Apps is designed specifically for key roles with an intent to improve productivity and reduce turnaround time. We have further been driving efficiency by deepening and expanding our Anywhere Apps across most of the functional areas and organizational roles.

Powering **4,000+** aircraft,
and **24,000+** users
across the world

Emerging Trends

The global eVTOL Aircraft Market was valued at USD 8.5 Bln in 2021 and is estimated to grow from USD 11.3 Bln in 2023 to USD 30.8 Bln by 2030 at a CAGR of 15.3% and during the forecast period. The growth of this market is mainly driven by the growing need for green energy and noise-free aircraft, increasing use of eVTOL aircraft for cargo applications and rising demand for an alternative mode of transport.

Source: <https://www.marketsandmarkets.com/Market-Reports/evtol-aircraft-market-28054110.html>





#2

RAMCO GLOBAL PAYROLL- REDEFINING EMPLOYEE EXPERIENCE

With a constant need of compliance requirements and focus to leverage cognitive technologies, an increasing number of businesses are adopting digital solutions to streamline HR and payroll processes. The use of AI and ML in payroll facilitates identifying patterns of activities and eliminating discrepancies. Accordingly, mundane tasks are automated and calculations

become easy and operational efficiency is enhanced.

We, at Ramco, take pride in providing technology powered solutions and services to enhance employee experience. Our unified platform, powered with emerging technologies, allows companies to automate payroll processing, or leverage Ramco's unique 'Digital' Managed Services capabilities, seamlessly.

In order to strengthen our implementation strategy, we have been developing a new framework for quicker, hassle-free, step-by-step guided implementation with pre-configured payroll steps, aimed at reducing dependency on technical resources. We are also porting the payroll processing to an in-memory engine that will make the entire process run much faster.

Some of the Marquee Clients Added During the Year

- Kudu Company for Food and Catering, a leading restaurant chain in the Kingdom of Saudi Arabia
- Global pioneer in pharmaceuticals and diagnostics
- Multinational banking and financial services corporation
- Australia and New Zealand's largest banking and financial services company
- Leading internet technology company and a global incubator of platforms at the cutting edge of commerce, content, entertainment and enterprise services

Awards and Recognition

- Positioned as a 'Technology Leader' in Quadrant Knowledge Solutions' SPARK Matrix: Multi-Country Payroll Platform 2022
- Positioned a 'LEADER' in Everest Group's APAC Multi-Country Payroll Solutions PEAK Matrix® 2022
- Payroll Software Supplier of the Year' award at The Global Payroll Awards 2022
- Best Payroll Software and Best Payroll Outsourcing in Singapore and Malaysia at HR Vendors of the Year 2022 Award

Product Innovations

- Developed Auto-SEED tool to streamline the setup and configurations of payroll
- Continuous enhancements to Ramco Services Hub, to provide enhanced visibility across all stages of the payroll cycle, real-time
- Enhanced our in-house SH bot to optimize enquiry resolution times
- Robotic Process Automation to optimize payroll processing
- Extended use of AWS, Azure, Cloud and Blockchain
- Workday Global Payroll Certified across 14 countries. Continuously increasing certifications across as per client requirements
- Steady investments in building an HR & Payroll ecosystem through partnerships with Vitesse, Repute, Ebury, Wagestream, FlexxPay, EarlySalary, Uplon and PayTime for delivering payroll value-added services and financial wellness
- Continued to invest in the concept of Zero UI by enhancing the power of CHIA, Ramco's chatbot

Emerging Trends

The multi-country payroll solutions market outgrew its previous growth rate to reach 13-15%. By 2025, the market size of the multi-country payroll solutions market is expected to reach ~ USD 5 Bln. with an expected CAGR of 10-12%.

(Source: <https://www2.everestgrp.com/reportaction/EGR-2022-24-R-5459/Marketing?SearchTerms=multi%20country%20payroll>)





#3

RAMCO ERP- FUTURISTIC SOLUTIONS

Ramco's ERP solutions have undergone significant advancements to handle diverse business processes, delivering robust and sophisticated capabilities. The convergence of cloud computing, mobile devices, IoT,

and data analytics has brought about a revolution in ERP operations. Ramco effectively harnesses this potential to provide tangible business value.

Our cloud-based ERP system enables businesses to access software from anywhere, facilitating seamless remote work and collaboration. It facilitates seamless data connectivity within clients' systems, productivity tools, e-commerce platforms, and customer engagement solutions. It further empowers businesses to leverage data analysis for valuable insights, optimizing processes across their entire operations. Ramco empowers organizations with a comprehensive ERP solution that leverages digital advancements for enhanced efficiency and accelerated growth.

Our Suite of Modern ERP Solutions:

Flexible Deployment Options

Improved Security and Privacy

Sustainability

Low-Code Customization

Client Additions



Other Initiatives

- Focused selectively on target industries to align product development, marketing and sales efforts
- Infused latest technologies and substantiating the product with latest features based on advanced AI/ML, automation and mobility
- Expanded partner network and improved online presence to improve reach in the focus areas and regions
- Strengthened networking amongst various analysts, influencers, advisors and trade-/industry-associations to align the product with the dynamic market needs
- Upgraded the product aligned to the market needs

Key Product Innovations

Developed highly '**verticalized**' solution suite, aligned to the unique needs of each industry. Some of these innovations include

End-to-End: Finance, Procurement, Supply Chain, Manufacturing, Distribution, Sales, Quality, and Payroll

Ecosystem-driven: Bringing visibility to the entire ecosystem of suppliers, partners, customers, etc., specifically in the Facilities Management space

Modular and Extensible: Offering the ability to choose the modules and expand as the need arises

Emerging Trends

In 2022, the worldwide market size for ERP software reached USD 54.76 Bln and is projected witness 11.0% CAGR between 2023 to 2030. The upsurge in demand for streamlined operations and transparent business processes, as well as the heightened reliance on data-driven decision-making, along with the widespread adoption of mobile and cloud-based applications, are among the significant drivers fueling the growth of the ERP software market.

Source: <https://www.grandviewresearch.com/industry-analysis/erp-software-market>





#4

RAMCO LOGISTICS- POWERED BY PERSONALIZATION

Virtual buying, storing, shipping, transportation, and delivery have become significant areas in the logistics sector. Logistics service providers are now expected to provide better visibility, forecasting, and reporting to their end customers.

Ramco adopts a robust approach to grow this sector and integrate the IT services that enable building a flexible infrastructure and facilitate seamless operations. The key focus always remains in being operationally efficient, reducing costs, improving margins and enabling paperless operations.

Ramco Logistics Software is a unique solution built exclusively for logistics service providers. While large ERP solutions in the market focus on shippers, retailers, and distributors and are force-fitted to the needs of a logistics company, Ramco's solution is unique and is built from the ground up as an end-to-end integrated business solution for 3PLs and Express Parcel providers.

Client Additions

- Freight Specialists
- PT Tigaraska

Key Product Innovations

- Built standard product APIs to strengthen integration capabilities for a seamless data flow across multiple third-party software
- Implemented a highly user-friendly command center that provides a bird's eye view of the entire warehouse operation leading to smart decisions and improving fulfillment rates

Go Lives

- Successful implementations at three existing customer sites

Recognitions

Rated as a 'Leader' in G2 Grid Report 2023 for:

- Highest user adoption
- Most-implementable solution in the mid-market category

Emerging Trends

Between 2022 and 2026, the logistics services software market is anticipated to register a CAGR of 8%, reaching USD 2.88 Bln. This growth can be attributed to the growing demand for logistics software based on cloud technology and the increasing adoption of Industry 4.0, which is driving the market forward.

Source: <https://www.globenewswire.com/news-release/2022/10/03/2527085/0/en/The-Global-Logistics-Services-Software-Market-is-expected-to-grow-by-2-88-bn-during-2022-2026-accelerating-at-a-CAGR-of-8-94-during-the-forecast-period.html>

Effective TMS Implementation

The largest logistics company in South Africa, with a fleet of over 1,000 vehicles wished to standardize its transportation management operations and handle multiple businesses from different industry segments.

We implemented Ramco TMS as a solution which facilitated integration of existing ERP, finance systems, WMS, and POD systems, coupled with real-time tracking and monitoring capabilities provide end-to-end visibility, helping customer to optimize its operations, reduce costs, and improve customer satisfaction.

Digital Transformation

Visy, a leading privately owned packaging and resource recovery Company with more than 120 sites across Australasia, felt the need of warehouse automation post-Covid-19 to de-risk against multiple supply chain disruptions.

Implemented warehouse management solution for their ultra-modern, completely automated AGV (Automated Guided Vehicle) warehouse in Epping, Melbourne.

Platform Customization for Better Operational Efficiency

Indonesia's largest logistics service provider sought a single integrated system that could cater to multiple functions and upgrade their existing IT infrastructure.

Ramco provided an integrated offering with Transport Management System (TSM), Warehouse Management System (WMS), Fleet Management, Rating and Billing, and Finance under a single integrated solution.



Harmonized Payroll for a Global Leader in Digital Customer Experience

A technology-enabled global provider of business services needed a payroll solution to handle complex statutory requirements and process the payroll within the defined time, with 100% accuracy.

Ramco provided a solution whereby payroll processing time for over 61,000 employees was reduced to 8 hours, reduced overtime leakage by 100% and enabled a seamless experience for employees.

Automated Processes for a Leading International Fire, HVAC Company

A leading international fire, HVAC (heat, ventilation, air conditioning) and security equipment company, was facing issues with regard to lack of automation, need for manual extraction of data and repetitive employee queries, among others.

Ramco implemented a new system with multiple features like consolidation of company's payroll landscape, direct interface with workday HRMS for seamless integration, standardized payroll processes and 'Self-Explaining Payslip' (SEP) to eliminate repetition of tasks.



Integrated Solution Platform for Iraqi Airways

Headquartered in Baghdad, Iraqi Airways was in need of a software to manage their end-to-end solution in terms of maintenance and supply chain management.

Ramco provided a complete integrated platform to manage CAMO, work execution, stores and procurement, coupled with digitalization of task cards, quality, safety and compliance management.

Ensured Efficiency and Sustainability for Air Asia

One of the most reputed third-party MRO service providers in APAC region, Air Asia, wanted to make a shift from paper-based contract management, manual estimations and planning, and conventional work education.

Ramco offered an integrated solution covering MRO contacts, maintenance and mobility solutions and automated business processes by elimination of data entry by third-party interface.

End-to-End Digitization for Panasonic

Panasonic was looking for an integrated aviation solution for managing global line maintenance and repair station operations along with integrating the existing corporate IT ecosystem.

Ramco delivered robust processes including full mobility suite, ERP integrations and detailed dashboards and proven systems for reduced TAT.



Modernized Payroll and Digitized Operations

New Zealand's largest telecommunications and digital services was in need of accurate and compliant payroll technology, elimination of manual efforts and replacing a 15-year old legacy payroll application.

Ramco helped the telecom giant through solutions that were caused by the legacy systems which provided inaccurate data. It completely digitized the payroll operations through automation of transactions and reducing payroll preparation time.



We at Ramco, believe that a sustainable future is not only essential for the well-being of our planet but also plays a crucial role in shaping a thriving economic future. As an organization, we are committed to working towards building a sustainable society by operating in an ethical and responsible way, creating value for our customers, employees, partners and wider community as we imbibe social conscience in all business decisions.

Our ESG (Environmental, Social and Governance) strategy is another step towards building sustainable practices and ensuring that we continue working towards those long-term sustainability ambitions as we grow. Our approach is aligned with United Nation's Sustainable Development Goals (SDGs) and we have consciously integrated the principles and objectives outlined in the SDGs into our ESG strategy and initiatives. To fully realize our sustainability and ESG initiative, we are actively engaged in developing an ESG Framework

that revolves around the following fundamental principles:

- **Building Roadmap for Greener Future:** Focus on minimizing environmental impact and promoting sustainable resource management
- **Social Sustainability:** Promoting diversity, equity, and inclusion within the organization, respecting human rights, ensuring fair labor practices, supporting local communities
- **Promoting strong Corporate Governance:** Maintaining strong corporate governance practices that promote transparency, accountability, and ethical conduct at all levels
- **Stakeholder Engagement:** Active involvement and collaboration with stakeholders, including employees, customers, investors and wider community
- **Continuous improvement in ESG:** Commitment to measuring, monitoring, and actively improving key ESG metrics and initiatives

Through a comprehensive material analysis, considering both internal and external perspectives we have identified the ESG factors that are most relevant and important to focus on.



Environment

Ramco strives to be a responsible corporate citizen and is committed to protect and conserve the natural environment in its operations and while providing services. As a means to this end, we try to adopt the best waste management practices and reducing the carbon footprint.

Some of Our Initiatives include:

- **Energy Efficiency:** As an energy-conscious organization we emphasize on the efficient use of energy in our facilities, processes, and equipment. We have also initiated a complete shift from conventional lighting systems to LED lights. Additionally, we have initiated programs to upgrade old electrical equipment and replace them with latest, energy efficient ones. We further promoted energy efficiency through a method whereby power is drawn through TNEB supply that supplies part of energy as renewable energy.
- **Responsible Waste Management:** We have implemented a waste segregation system at our organization, ensuring that food waste, plastic waste, and paper waste are separated at the source. Each day, we diligently collect and sort these different types of waste into designated bins or containers. We then responsibly hand over the waste to a government authority responsible for proper disposal in accordance with local regulations.
- **Awareness Sessions:** We conducted awareness sessions (Greenpeace) with our employees to educate and raise awareness about the importance of climate change and environmental protection. During the session, we shared valuable information and insights about the impacts

of climate change, the importance of preserving the environment, and the role individuals can play in mitigating climate change.

- **Promoting Paper Conservation:** Adopted measures to move towards a paperless system by ensuring that digital systems are used for various purposes.

Ramco, as a part of its environment conservation measure to maintain the ecological balance, Ramco spent Rs. 6 Mln. during the year towards Conservation of the Tropical Dry Evergreen Forest of South India (TDEF) as a part of Corporate Social Responsibility (CSR) contribution. TDEF consists of 1,200 species in the ecosystem, comprising 400 woody or bulbous species and 800 allied species.

Please refer to the Annexure to the Board's Report on pages 59 to 61 for more details on CSR.

In the future, we intend to take action to promote water conservation within the office environment. The plan involves installing water-saving taps in the office restrooms. By implementing these measures, we aim to contribute to sustainable water management practices that promote environmental responsibility.

Social

Ramco lays emphasis on promoting diversity and inclusion, ensuring fair labor practices, respecting human rights, supporting community engagement and development, and fostering positive relationships with stakeholders. By prioritizing social responsibility, we strive to create a positive social impact, contribute to the well-being of our employees and communities, and build trust and strong relationships with stakeholders. This commitment is integral to creating sustainable and long-term value for both our organization and society as a whole.



Some notable aspects towards this direction include:

Customer-Centric Solutions

Our customer-centric approach involves prioritizing customer satisfaction, ensuring transparency and accountability, protecting customer privacy, and actively having meaningful engagement with our customers.

Flexible Work Arrangements

We place a strong emphasis on providing our employees with a high level of flexibility. We understand the importance of achieving a healthy work-life balance, and as such, we offer various flexible work arrangements to our employees. This includes options such as flexible schedules and the ability to work remotely. By offering these arrangements, we aim to empower our employees to effectively manage their work responsibilities while also attending to their personal life commitments.

Professional Development Opportunities

At Ramco, we prioritize skills enhancement for all employees by offering tailored training programs through our initiative called 'Ramco Corp University'. We believe in the importance of continuous learning and provide opportunities for employees to develop their skills at every level and role. In addition to training programs, we offer mentorship programs and benefits such as certification reimbursement to support employees in advancing their careers. Throughout the year, we conduct multiple training sessions to ensure employees have access to valuable learning opportunities and can stay up-to-date with industry trends and developments.

Recognition and Rewards

At Ramco, we have an ongoing employee recognition program called the 'Pat on the Back Awards.' This program acknowledges and celebrates employee accomplishments through special incentives, bonuses, promotions, and internal recognition methods.

Promoting Inclusive Culture

We have implemented listening tools such as pulse surveys and employee engagement surveys to encourage our employees to provide feedback and actively participate in policy formulation and decision-making processes. This inclusive approach values employee input and involvement, making them feel valued and empowered to shape the organization's direction.

Wellness Programs

At Ramco, we prioritize the physical and mental wellness of all our employees. We actively engage them in a range of wellness programs that promote overall well-being. These programs encompass workshops on stress management, nutrition, mental and physical health, as well as counseling services. Our commitment to employee wellness ensures that their holistic health is of prime importance to us.

Diversity and Inclusion

At Ramco, we strongly advocate for diversity and equal opportunity, which is reflected in our fair hiring practices. Our offices are located in 35+ countries, and our diversified workforce is made up of 19 nationalities and we are proud of the fact that 35% of our workforce are women.

Flexibility for Female Employees

In addition to promoting family-friendly policies such as health insurance coverage, parental leave, and flexible work arrangements, we actively campaign for the 'return to Ramco' initiative, particularly targeting our ex-employees, especially women who have taken career breaks and are eager to rejoin the workforce. Our hiring practices are thoughtfully designed to consider all types of career breaks, and our human resources team ensures that candidates are selected based on their skills and merit. We believe in providing equal opportunities for all and value the talent and experience that individuals bring, irrespective of their career paths.

Employee Stock Option Scheme

The Company has instituted various Employee Stock Option Scheme (ESOS) for the benefit of employees for their unwavering commitment to the Company's growth and their contribution to the Company.

The objective of ESOS is to encourage employees to continue contributing to the success and growth of the organization, create a sense of ownership within the organization, reward employees with ownership in proportion to their contribution etc. It covers the Non-Independent Directors, eligible employees of the Company/ its subsidiaries. Please refer to the Annexure to the Board's Report on pages 46 to 53 for more details on the ESOS.

Governance

At Ramco, responsible governance, integrity and ethical conduct are embedded into our business practices. We firmly believe in structuring our governance practices to promote ethical conduct across the entire organization. We recognize that sustainable success can only be achieved in the long-term by maintaining strong governance principles and fostering an ethical culture.

Please refer to the Corporate Governance Report on pages 66 to 82 for more details on the Governance aspects.

Board Composition

The composition of the Board is in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The Board comprises professionals from different backgrounds who bring with them diverse knowledge and experiences that plays a key role in assuming responsibilities within the Company. This is ensured by transparency and accountability through Corporate Governance policies and at the same time implementing feedback and suggestions on the Board improvement plan.

Please refer to the Corporate Governance Report on pages 66 to 67 for more details on the Board Composition.

Board Diversity

We acknowledge the importance of maintaining a diverse Board of Directors. Diversity, in our view, encompasses various factors such as professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity, and length of service. We firmly believe that a diverse Board enhances decision-making capabilities and is more effective in navigating organizational changes while providing valuable guidance and knowledge.

Please refer to the Corporate Governance Report on page no.67 for more details.

Code of Conduct

Ethical business conduct is a vital priority for the Company. The Company's Code of Conduct is applicable to all the

Board Members and the Senior Management Personnel/ employees of Ramco. All our Board Members and Senior Management Personnels are made aware of the Code of Conduct (CoC) of the Company and abide by it at all times and provide declaration on an annual basis.

Please refer to the Corporate Governance Report on pages 80 & 82 for more details on the Code of Conduct.

These policies include whistleblower, related-party transactions, corporate social responsibility, code for insider trading etc., which are available on the Company's website at the following

web-link: <https://www.ramco.com/investor-relations/corporate-governance/policies-and-codes> .

Investor Complaints

The Company has in place a dedicated team of compliance that looks after the investor complaints. As of March 31, 2023, no complaints were pending with the Company.

Board Committees

Ramco's Board Committees facilitates effective resolution of all the important issues. All the Board Committees are headed by Independent/ Non-Executive Directors, respectively.

The constitution of all Committees is in line with the applicable Laws. In case of Board Committees, the representation of the independent Board Members are adequate and is also in line with applicable Laws.

Please refer to the Corporate Governance Report on pages 70 to 75 for more details on the Committees of the Board.



Board's Report

Dear Members,

Your Directors are pleased to present the Twenty Sixth Report of the Board of Directors ("Board") on the business and operations of the Company ("Ramco Systems" or "Ramco" or "RSL" or "Company"), together with the audited standalone and consolidated financial statements for the year ended March 31, 2023.

SUMMARY OF PERFORMANCE

In the financial year (FY) 2022-23, your Company saw a decline in the growth momentum, with a consolidated turnover of Rs.4,922.23 Mln., as against previous year's turnover of Rs. 5,311.02 Mln. The consolidated Profit/(Loss) after tax for the FY 2022-23 was Rs.(2,068.40) Mln. as against Rs. (733.59) Mln. for the previous year. Consequently, the consolidated earnings

per share reduced to Rs.(65.60) for the year, as against Rs. (23.87) for the previous year.

The standalone turnover stood at Rs.2,478.15 Mln. in the FY 2022-23, as against previous year's turnover of Rs. 2,795.92 Mln. The standalone Profit/(Loss) after tax for the FY 2022-23 was at Rs.(1,130.05) Mln. as against Rs. (499.71) Mln. for the previous year. Consequently, the standalone earnings per share reduced to Rs.(35.84) for the year, as against Rs. (16.26) for the previous year.

The global order booking during the year has improved and witnessed an increase of 39% over the previous year. However, the drop in revenue by 14% was attributable mainly to product revenue being lower by about 11% and services revenue being lower by about 17%, owing to lower order booking in the previous year.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2023 and March 31, 2022 are as follows:

(Rs. Mln.)

Particulars	For the year ended March 31					
	Standalone			Consolidated		
	2023	2022	Inc./(dec.)	2023	2022	Inc./(dec.)
Revenue from Operations	2,478.15	2,795.92	(11.37%)	4,922.23	5,311.02	(7.32%)
Total Income	2,538.57	2,900.08	(12.47%)	4,977.32	5,403.77	(7.89%)
Finance Cost	87.34	46.81	86.58%	99.61	54.19	83.82%
Depreciation & Amortization	739.19	698.63	5.81%	808.24	753.18	7.31%
Total Expense	3,800.07	3,483.70	9.08%	7,184.23	6,137.88	17.05%
Profit before Interest, Tax & Depreciation (EBITDA)	(434.97)	161.82	(368.80%)	(1,298.90)	74.30	(1,848.18%)
Profit/(Loss) before Tax	(1,261.50)	(583.62)	116.15%	(2,206.75)	(733.07)	201.03%
Provision for Tax	(131.45)	(83.91)	56.66%	(138.16)	(3.77)	3,564.72%
Profit after Tax Attributable to Owners of the Parent	(1,130.05)	(499.71)	126.14%	(2,068.40)	(733.59)	181.96%

BUSINESS HIGHLIGHTS

Technology has been playing a more significant role in our lives since the pandemic. With organizations realizing the importance of digital readiness, there's been a rising demand for digital technology solutions, which can help them grow and adapt to the emerging trends. Over the past year, we at Ramco have prioritized innovation, technology and our people, to improve our offerings and keep up with the ever-changing needs of our customers. This focus on our fundamentals has helped us bring in transformation for the future.

From Artificial Intelligence and Machine Learning("AI&ML") to IoT, we are amidst a powerfully transformative technology that is bringing in a revolution. By leveraging this transformative

technology through automation and various other development tools, we have successfully been solving critical business problems, thereby creating a sustainable future. With reformed business processes and emphasis on a 'Customer First' approach, we at Ramco have been inching towards offering a world class enterprise solution.

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

DIVIDEND AND APPROPRIATIONS

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Board's Report (Contd.)

(hereinafter referred to as "SEBI LODR") the Board approved and adopted the Dividend Distribution Policy and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Dividend%20Distribution%20Policy/DIVIDEND-DISTRIBUTION-POLICY.pdf>

Your Directors have not recommend any dividend for the FY 2022-23. Hence no appropriations have been made to general reserves.

FUND RAISING / UTILIZATION OF FUNDS

During the year, the Board in its Meeting held on December 22, 2022 had approved Preferential Issue of Equity Shares and Warrants Fully Convertible into Equity Shares each at a price of Rs.274/-, aggregating to Rs.160 cr. The Members approved the same through Postal Ballot on January 21, 2023. The required consideration as below was received from the respective allottees and allotments of Equity Shares / Warrants Fully Convertible into Equity Shares ("Warrants") were made by the Board on February 01, 2023.

Sl. No.	Name of the Allottees	Category	Issue Size Rs. cr.	Consideration received (Rs. cr.)	Consideration received on	No. of. Securities Allotted
1.	Ramco Industries Limited	Promoter Group	45.00	45.00	January 27, 2023	1,642,335 equity shares
2.	Atyant Capital India Fund-I	Non-Promoter	37.50	37.50	January 25, 2023	1,368,613 equity shares
3.	Vanderbilt University	Non-Promoter	37.50	37.50	January 30, 2023	1,368,613 equity shares
4.	P R Venketrama Raja, Chairman	Promoter	40.00	10.00*	January 25, 2023	1,459,854 warrants
			160.00	130.00		

*Represents 25% of the total consideration received as upfront payment in respect of Warrants. Each Warrant, so allotted, is convertible into one fully paid-up equity share of the Company having face value of Rs.10 (Rupee Ten only) each in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on payment of the balance consideration by the Allottee pursuant to exercise of conversion option against each such Warrant, within 18 months from the date of allotment of Warrants, failing which the upfront payment made will be forfeited.

Required approvals from Stock Exchanges and Depositories were obtained and required compliances including those relating to lock in were made within the prescribed time limits.

The objects of the preferential issue and status of funds utilized are as given below:

Sl. No.	Objects of the Issue	Amount to be utilized	Amount Utilized in Q4/22-23
1.	Repayment, of all or a portion of certain outstanding borrowings including interest thereon	92-100	67.50
2.	Sales & Marketing expenses	10	1.38
3.	Capex expenditure towards tangible & intangible assets	20	4.62
4.	General Corporate Purposes	32-38	-
	Total	160	73.50

ICRA Limited has been appointed as the Monitoring Agency for monitoring the utilization of the proceeds. Your Company is utilizing the proceeds for the objects for which it is raised and there are no deviations.

CAPITAL STRUCTURE

During the year, the issued and paid up capital of the Company has increased upon exercise of stock options by various option grantees and allotment of shares pursuant to the same and allotment of shares under Preferential Issue. The issued and subscribed capital of the Company stood at Rs.355.77 Mln. and paid up capital stood at Rs.352.63 Mln. as on March 31, 2023

as against Rs.311.63 Mln. and Rs.308.49 Mln. respectively as at the end of the previous year. The Securities Premium has also increased to Rs.7,842.33 Mln. from Rs.6,675.74 Mln. and other than this, the Company has not made any fresh issue of shares. More details on the preferential issue of shares and Warrants during the year are provided in this report under the heading of fund raising / utilization of funds.



Board's Report (Contd.)

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

Particulars	No. of equity shares (face value of Rs.10 per share)
Paid up Opening as at April 01, 2022	30,813,921
June 03, 2022 *	1,799
November 02, 2022 *	2,762
January 20, 2023 *	29,713
February 01, 2023 #	4,379,561
Paid up Closing as at March 31, 2023	35,227,756

* Allotment of shares pursuant to exercise of stock options.

Allotment of shares pursuant to Preferential Issue.

DEPOSITORY SYSTEM

Your Company's shares are in compulsorily tradable securities in electronic form. As on March 31, 2023, 99.70% of the Company's total paid up shares are in dematerialized form. To avoid fraud/delicacy of shares, the Members holding shares in physical mode are advised to demat the shares.

CREDIT RATING

During the year, there has been no change in the rating provided by ICRA Limited and the annual surveillance by ICRA Limited for the renewal of the ratings in respect of the banking facilities is in progress. Pending this, the ratings vide ICRA's letter dated March 17, 2022 are live and are given as below:

(Rs. Mln.)

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

The details of said rating is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/investor-relations/Intimation-Of-CreditRating-30-06-2023.pdf> .

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of amendment to Regulation 34 (2) (f) of SEBI LODR vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, SEBI has introduced new reporting requirements on ESG (Environment, Social and Governance) parameters, called the Business Responsibility and Sustainability Report (BRSR). In terms of the aforesaid amendment, with effect from the FY 2022-23, filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) and shall replace the existing Business Responsibility Report.

As per the Market capitalization list issued by BSE and NSE as on March 31, 2023, the Company falls in 1126th position in BSE and 1067th Position in NSE. Though the Company is not falling under top 1000 companies, BRSR is being

published as per Regulation 3(2) of SEBI LODR which states that "the provisions of SEBI LODR Regulations which become applicable to listed entities on the basis of market capitalization criteria, shall continue to apply to such entities even if they fall below such thresholds" and also a matter of good governance. Accordingly, the BRSR is set out in this Annual Report.

INFORMATION ON SUBSIDIARIES AND ASSOCIATE

Your Company has Eighteen (18) subsidiaries and One (1) associate entity as on March 31, 2023. In accordance with Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of our subsidiaries and associate and their contribution to the overall performance of the Company are available in Form AOC-1 and the same is enclosed as Annexure I to the Board's Report. Statutory group information is provided under Note no. 30 to the consolidated financial statements. In accordance with Regulation 46(2)(s) of SEBI LODR, separate audited/ reviewed financial statements of the above subsidiary companies are placed on the website of the Company.

Board's Report (Contd.)

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

During the FY 2022-23,

- a. The Company had incorporated a wholly owned subsidiary in the Kingdom of Saudi Arabia in the name "Ramco Middle East for Information Technology" on April 01, 2022. The share capital is yet to be infused.
- b. The Company had incorporated a wholly owned subsidiary in Qatar in the name "Ramco System LLC" on December 27, 2022. The share capital is yet to be infused.

As on March 31, 2023, the Company has 5 overseas branch offices – in UK, Germany, UAE, Australia and Spain.

Material Subsidiaries

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

Based on the financials of FY 2022-23, Ramco Systems Corporation, USA, and Ramco Systems Australia Pty Ltd., Australia were identified as material subsidiaries for the FY 2023-24 in accordance with Regulation 16(1) of SEBI LODR.

Of these material subsidiaries, for both FY 2022-23 and FY 2023-24, Ramco Systems Corporation, USA was considered as a material subsidiary in accordance with Regulation 24 of SEBI LODR, warranting the appointment of an Independent Director of the Company in that subsidiary, since the income/net worth of Ramco Systems Corporation, USA, is more than 20% of the Consolidated income/net worth. Since the Company had already appointed Mr. M M Venkatachalam, Independent Director of the Company as a Director of that subsidiary on May 22, 2019, he continues to be a Director of that subsidiary, thus fulfilling the requirements.

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

Consolidated Financial Statements

In accordance with Section 129(3) of the Act and Regulation 33 and 34 of SEBI LODR, the consolidated financial statements incorporating the accounts of subsidiary

companies and associate company along with the Auditors' Report thereon are set out in this Annual Report and are available at the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/annual-reports>.

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

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

BOARD OF DIRECTORS

As on March 31, 2023, your Board comprises of eight (8) Directors, out of which, four (4) are Independent Directors including an Independent Woman Director, three (3) Non-Executive & Non-Independent Directors and an Executive Director. Mr. P R Venketrama Raja, (DIN:00331406), Chairman of the Board is a Non-Executive & Non-Independent Director and Promoter and Mr. P V Abinav Ramasubramaniam Raja (DIN:07273249), Manager designated as Whole Time Director, belongs to Promoter Group.

During the year, no appointment / re-appointment / resignation of Directors took place except the following:

- a. Retirement by rotation and re-appointment of Mr. P R Venketrama Raja, Non-Executive & Non-Independent Director (DIN: 00331406).
- b. Appointment of Mr. P V Abinav Ramasubramaniam Raja (DIN:07273249) as a whole time key managerial personnel in the position of Manager, with the designation as Whole Time Director of the Company for a period of 2 years commencing from June 04, 2022 to June 03, 2024, by the Members at the 25th Annual General Meeting ("AGM") held on August 10, 2022.

The Company had formulated a Code of Conduct for the Directors and Senior Management Personnel and the same has been complied with. The Board at its Meeting held on May 17, 2023 had reviewed, amended the said Code and the same is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Code%20of%20Conduct%20and%20Business%20Ethics/code-of-conduct-business-ethics.pdf>.

Retirement by Rotation and Re-Appointment

In accordance with Section 152 of the Act and Articles of Association of the Company, Mr. A V Dharmakrishnan, Director (DIN: 00693181) retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM of the Company.



Board's Report (Contd.)

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

Independent Directors

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

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

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

Justice Mr. P P S Janarthana Raja (Retd.) (DIN:06702871) was appointed as an Independent Director for a period of five (5) years from August 29, 2018 to August 28, 2023. He is eligible for reappointment for another term of five (5) consecutive years as an Independent Director from August 29, 2023 to August 28, 2028. The Nomination and Remuneration Committee in its Meeting held on May 17, 2023 and Board of Directors in its Meeting held on May 17, 2023 have evaluated the performance of the said Independent Director based on the contribution of the Director and have recommended his reappointment for another term of five (5) years from August 29, 2023 to August 28, 2028. In accordance with Section 149(10) of the Act, approval of the Members through special resolution is being sought for his reappointment at the ensuing AGM.

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

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

Details of Remuneration to Directors

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

Number of Meetings of the Board

Your Board met six times during the FY 2022-23 on May 19, 2022, June 03, 2022, July 26, 2022, November 07, 2022, December 22, 2022 and February 01, 2023 and further details on this aspect are given in the Corporate Governance Section of this Annual Report. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days.

Board Committees

The Board had following Committees during the FY 2022-23:

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

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

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

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

Diversity

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

Board Evaluation

In accordance with the provisions of the Act and SEBI LODR, Board has carried out a separate exercise to evaluate the performance of the Board as a whole, its Committees and

Board's Report (Contd.)

individual Directors by taking into account the criteria laid down in this regard by the NRC like attendance, expertise, contribution etc., brought in by the Directors at the Board and Committee Meetings and found it satisfactory, which shall be taken into account at the time of reappointment of Independent Director.

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

In accordance with Regulation 25(4) of the SEBI LODR, Independent Directors have evaluated the performance of Chairman, Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and other required matters.

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

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

The Board's observations on the evaluations for the year under review carried on May 17, 2023 were similar to their observations of the previous years. No specific actions have been warranted based on current year observations. The Company would continue to familiarize its Directors on the industry, information security, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

Policy on Directors' Appointment and Policy on Remuneration

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

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

Your Company's current policy is to have an appropriate mix of Independent and Non-Independent Directors to maintain

the independence of the Board and separate its functions of governance and management.

Remuneration Policy

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

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

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

The Whole Time Director was paid a fixed monthly remuneration partly during the year in the form of Commission and for the rest of the period, in the form of fees for professional services. This is in addition to entitlement of sitting fee for attending the Meetings. Non-Executive Directors are paid remuneration by way of sitting fees based on their participation in the Meetings. Remuneration paid to Directors is within the scale approved by the Board and Members, subject to overall ceilings stipulated under Section 197 of the Act. Sitting fees are being paid to Directors for attending the Board Meeting, Audit Committee and Independent Directors Meetings.

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

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and Senior Management shall be appropriate to the working of the Company and its goals; and
- Any other functions as mandated by the Board from time to time and / or enforced by any statutory notification,



Board's Report (Contd.)

amendment or modification, as may be applicable, are carried out.

The said Policy and composition of the NRC are in compliance with the Act and SEBI LODR. The responsibilities of Compensation Committee as defined in SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, have been assigned to NRC. During the year, there has been no change in the Nomination and Remuneration policy and the said policy is available at the Company's website, at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/PDF%20Download%20URL/Material%20Subsidiary%20Policy/ramco-material-subsidiary-policy.pdf>.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel (KMP) of your Company as on March 31, 2023 are as follows:

Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director

Mr. R Ravi Kula Chandran, Chief Financial Officer

Mr. Vijayaraghavan N E, Company Secretary and Compliance Officer

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that the financial statements for the year ended March 31, 2023 have been prepared in conformity with Indian Accounting Standards (Ind AS) and requirements of the Act, and that of guidelines issued by SEBI, to the extent applicable to the Company along with proper explanation relating to material departures;
- b. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the loss of the Company for the year ended on that date;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on a going concern basis;

- e. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company places high emphasis on business ethics and ensures best practices throughout the business and in its disclosures. Your Director's always strive to follow good Corporate Governance practices in the Company to enhance long term shareholder value. Corporate Governance Report for the FY 2022-23 is set out in this Annual Report.

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

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

EQUAL OPPORTUNITY

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

The Company has a Policy on Prevention and Redressal of Sexual Harassment ("POSH") in place in accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the FY 2022-23, Committee composition was revised and Ms. Rampriya Sridharan was appointed as the presiding officer with effect from October 20, 2022 and the required changes were made in POSH policy of the Company. During the FY 2022-23, there was no complaint received and no complaint was pending for disposal as on March 31, 2023.

In accordance with Rule 8(5) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual

Board's Report (Contd.)

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

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

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

- (D) Employee Stock Option Scheme, 2008 (ESOS 2008)
- (E) Employee Stock Option Scheme, 2009 - Plan A (ESOS 2009 - Plan A)
- (F) Employee Stock Option Scheme, 2009 - Plan B (ESOS 2009 - Plan B)
- (G) Employee Stock Option Scheme, 2013 (ESOS 2013)
- (H) Employee Stock Option Scheme, 2014 (ESOS 2014) and
- (I) Employee Stock Option Scheme, 2022 (ESOS 2022)

During the year, 34,274 options were exercised in 3 tranches by eligible employees/option grantees of the Company and its subsidiaries under ESOS 2008, ESOS 2009 Plan A, ESOS 2009 Plan B, and ESOS 2014 schemes of the Company.

During the year, the following options were granted to employees/option grantees:

Scheme Name	No. of Options granted	Date of Grant of Options	Exercise Price in Rs.
ESOS 2013	127,500	April 29, 2022	10
ESOS 2013	127,500	April 29, 2022	160
ESOS 2014	313,500	April 29, 2022	10
ESOS 2014	313,500	April 29, 2022	160
ESOS 2014	11,250	June 03, 2022	10
ESOS 2014	22,500	June 03, 2022	129
ESOS 2014	11,250	June 03, 2022	258
ESOS 2022	437,000	September 21, 2022	10
ESOS 2022	437,000	September 21, 2022	160
ESOS 2022	25,000	February 01, 2023	10
ESOS 2022	25,000	February 01, 2023	160

No Option grantee was granted options/shares during the year, equal to or exceeding 1% of the issued capital.

During the FY 2022-23, the Members at the 25th Annual General Meeting held on August 10, 2022 have approved the implementation of ESOS 2022, with an issue of 1,500,000 stock options convertible into equity shares of Rs.10/- each with the number of stock options that could be granted to the Non-Executive Directors, excluding Independent Directors of the Company not exceeding 200,000 options per year and 400,000 options in aggregate. The Nomination and Remuneration Committee (designated Compensation Committee) in accordance with the SEBI (Employee Share Based Employee Benefit and Sweat Equity) Regulations, 2021, framed detailed schemes in this regard.

It is confirmed that the Schemes of the Company are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The relevant disclosures in terms of the Act and in accordance with the said Regulations are enclosed as Annexure II to the Board's Report. The

Company does not have any Scheme for issue of sweat equity to the employees or Directors of the Company. During the year, no ESOS were granted to Non-Executive & Non-Independent Directors.

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



Board's Report (Contd.)

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this report.

However, the annual report is being sent to the Members, excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

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

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

RISK MANAGEMENT

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

In accordance with Section 134(3)(n) of the Act and Regulation 17(9) of SEBI LODR, the Company has developed and implemented a Risk Management Policy. The Policy envisages

identification of risk and procedures for assessment and minimization of risk thereof. The said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Risk%20Management%20Policy/Risk-Management-Policy.pdf>. Details on the Company's risk management framework/strategy also further discussed in the Company's MDNA. In the opinion of the Board, there is no element of risk which may threaten the existence of the Company/its operations.

RELATED PARTY TRANSACTIONS (RPT)

The Company has formulated a policy on materiality of RPT and also on dealing with RPT. The said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Related%20Party%20Transaction%20Policy/ramco-related-party-transaction-policy.pdf>.

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

AUDITORS

Statutory Auditor

Your Company at its 25th AGM held on August 10, 2022 had re-appointed M S Jagannathan & N Krishnaswami, Chartered Accountants, (FRN:001208S) as the Statutory Auditors of the Company for a second term of 5 consecutive financial years commencing from 2022-23 to 2026-27 to hold office from the conclusion of 25th AGM till the conclusion of the 30th AGM of the Company to be held in the year 2027.

In accordance with Sections 139 and 141 of the Act and relevant Rules prescribed there under, the Company has received certificate from the Statutory Auditors to the effect that they are eligible to continue as Auditors. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

Details of fees paid to Statutory Auditor is disclosed in Corporate Governance Report set out in this report.

Board's Report (Contd.)

Internal Auditor

Your Board on the recommendation of Audit Committee at its Meeting held on May 19, 2022 had re-appointed M/s. SRSV & Associates, Chartered Accountants, (FRN:015041S), Chennai as the Internal Auditors of the Company and approved the internal audit fees to conduct Internal Audit for the FY 2022-23. The Internal Auditors reports directly to the Audit Committee and make presentations at the Audit Committee Meeting(s) on the Internal Audit Report.

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

Your Board on the recommendation of Audit Committee at its Meeting held on May 17, 2023 has re-appointed M/s. SRSV & Associates, Chartered Accountants (FRN:015041S), Chennai as the Internal Auditors of the Company for the FY 2023-24.

Secretarial Auditor

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

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

Your Board at its Meeting held on May 17, 2023 had re-appointed M/s. S.Krishnamurthy & Co., Company Secretaries, to conduct the Secretarial Audit of the Company for the FY 2023-24.

Cost Auditor

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

Opinion/Reports

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

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

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

The Reports issued by them for the FY 2022-23, do not contain any qualification, reservation or adverse remark or disclaimer.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In Compliance with Section 135 of the Act, the Board of Directors had constituted a CSR Committee and adopted a CSR Policy, in accordance with Schedule VII of the Act.

Your Company was required to spend Rs.14.43 Mln. towards CSR activities during FY 2021-22. Upon recommendation of CSR Committee, Board had approved to contribute the CSR spend for the FY 2021-22 to "Auroville Foundation" for its Botanical Gardens Unit for "Conservation of the Tropical Dry Evergreen Forest of South India" (TDEF) – an ongoing project. Rs.2.00 Mln. were spent for the above said activity in March 2022 and then balance Rs.12.43 Mln. was transferred to a special bank account "Ramco Systems Limited - Unspent CSR Account FY 2021-22" in April 2022 and from the said bank account, Rs.5.05 Mln. was spent during FY 2022-23 and Rs.2.00 Mln. was spent in April 2023. As on date, the balance available in the said unspent account is Rs.5.38 Mln. The intent is to make the contribution, depending upon the project progress, submission of progress reports by the agency and review thereof by the Company.

Your Company was required to spend Rs.6.03 Mln. towards CSR activities during the FY 2022-23. Upon recommendation of CSR Committee, Board had approved to contribute Rs.1.00 Mln. to "Auroville Foundation" for its Botanical Gardens Unit to run the entire energy needs of the gardens from alternative energy using solar and wind power and the balance to Ramasubrahmaneya Rajha Ramco Foundation (RRRF) towards Rajapalayam Town forming part of masterplan development under AMRUT scheme Guidelines of Tamil Nadu Government - an ongoing project. During the year, accordingly Rs.1.00 Mln. was contributed to Auroville Foundation and Rs.0.50 Mln. was contributed to RRRF. The unspent amount of Rs.4.53 Mln. has been transferred to a special bank account "Ramco Systems Limited - Unspent CSR Account FY 2022-23" in April 2023. The intent is to make the contribution, depending upon the project progress, submission of progress reports by the agency and review thereof by the Company.

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

Your Company's CSR Committee comprises of Mr. P R Venketrama Raja, (DIN:00331406), Chairman, Mr. M M Venkatachalam (DIN:00152619), Director and Mr. A V Dharmakrishnan (DIN:00693181), Director. The Committee is responsible for formulating, monitoring and



Board's Report (Contd.)

implementing the CSR policy of the Company. In accordance with Section 135(4) of the Act, the major contents of CSR policy are as follows:

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

Vision: The Company's vision is to contribute to the social and economic development of the communities in which it operates, resulting in building a better and sustainable way of life for the society at large.

Objectives: The objective of the CSR Policy is to:

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

Implementation Process:

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

POLICY ON PRESERVATION OF DOCUMENTS AND ARCHIVAL OF DOCUMENTS

In accordance with Regulation 9 read with Regulation 30(8) of SEBI LODR, your Board has framed a Policy on Preservation of documents and Archival of documents. This is intended to provide guidelines for the retention of records and preservation of relevant documents for a duration after which the documents shall be archived. This said policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Policy%20on%20Preservation%20of%20Documents%20and%20Archival%20of%20Documents/Policy-on-Preservation-of-Documents-and-Archival-of-Documents.pdf> .

SUSTAINABILITY INITIATIVES

Your Company is in the space of providing technological solutions. Your Company's contribution towards sustainability is continuous in nature as is reflected throughout/forms an integral part of our business. The Company aims to reduce its carbon footprint by using energy conservation equipments / other control measures. Further details on this aspect are given in the Conservation of Energy and Technology Absorption Annexure VII in the page no.63.

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

OTHER DISCLOSURES

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

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

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

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

Loans, Guarantees or Investments: Disclosures on the same in accordance with Section 186(4) of the Act and SEBI LODR

Board's Report (Contd.)

are provided under Note nos. 8.1, 9.1, 26 and 29 forming part of separate (standalone) financial statements;

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

Annual Return:

In accordance with Section 92(3) of the Act, read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website, at the following weblink: <https://www.ramco.com/hubfs/investor-relations/Annual-Return-2022-23>.

The annual return uploaded on the website is a draft in nature and the final annual return shall be uploaded at the same link on the Company's website once the same is filed with Ministry of Corporate Affairs after the AGM.

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

Material Changes and Commitments: No material changes and commitments affecting the financial position of the Company occurred between April 01, 2023 and the date of signing this report. Further deliberations on COVID-19 are provided under MDNA and Note nos. 33 & 31 of separate (standalone) & consolidated financial statements respectively;

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

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

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

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

GREEN INITIATIVES

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

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

AWARDS AND RECOGNITIONS

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

APPRECIATIONS

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

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

P R VENKETRAMA RAJA
Chairman

Place : Chennai
Date : May 17, 2023



ANNEXURE I

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES / ASSOCIATES

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

Part A - Subsidiaries:

Name of the subsidiary	Date of becoming subsidiary	Reporting Period	Reporting currency	Exchange Rate used (Rs. per unit of foreign currency)		Share Capital	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share Capital and Reserves and Surplus)	Investments	Turn-over	Profit/(Loss) Before Tax	Provision for Tax	Profit After Tax	Proposed dividend	Rs. Min.	% of share-holding
				B/S	P&L												
Ramco Systems Corporation, USA#	October 01, 1992	April 2022- March 2023	USD	81.72	79.67	105.74	1,513.65	2,349.27	729.88	7.88	966.48	15.90	0.45	15.45	-	98%	
		April 2021- March 2022		75.32	73.84	105.74	1,370.95	2,090.26	613.57	7.88	1,180.95	218.47	58.21	160.26	-		
Ramco Systems Ltd., Switzerland#	July 28, 1995	April 2022- March 2023	CHF	88.67	82.99	29.33	252.81	330.64	48.50	-	71.24	29.68	5.05	24.63	-	100%	
		April 2021- March 2022		80.77	79.71	29.33	203.82	254.36	21.21	-	42.82	12.66	2.15	10.51	-		
Ramco Systems Sdn. Bhd., Malaysia#	May 03, 1995	April 2022- March 2023	MYR	18.96	18.35	18.22	(418.50)	313.51	713.79	-	215.52	(136.67)	-	(136.67)	-	100%	
		April 2021- March 2022		18.30	18.01	18.22	(268.03)	306.85	556.67	-	230.78	(53.41)	0.01	(53.42)	-		
Ramco Systems Pte. Ltd., Singapore#	October 17, 1995	April 2022- March 2023	SGD	61.21	57.66	1,511.74	(2229.16)	1,242.41	1,959.83	-	487.91	(224.44)	-	(224.44)	-	100%	
		April 2021- March 2022		55.32	54.47	1,511.74	(1949.61)	1,136.18	1,574.06	-	414.80	(279.69)	(0.14)	(279.55)	-		
RSL Enterprise Solutions (Pty) Ltd., South Africa	October 10, 2002	April 2022- March 2023	ZAR	4.49	4.66	31.41	(25.31)	20.19	14.09	-	118.28	11.63	-	11.63	-	100%	
		April 2021- March 2022		5.08	4.84	52.00	(3756)	33.85	19.41	-	136.44	21.08	-	21.08	-		
Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	September 30, 2010	April 2022- March 2023	CAD	60.06	60.07	0.43	37.94	82.40	44.03	-	46.60	(22.77)	-	(22.77)	-	98%	
		April 2021- March 2022		59.78	58.52	0.43	60.40	97.56	36.73	-	59.65	20.42	5.53	14.89	-		
Ramco Systems FZ-LLC, Dubai	June 22, 2011	April 2022- March 2023	AED	21.81	21.26	0.62	411.19	835.02	423.21	-	410.10	(253.25)	-	(253.25)	-	100%	
		April 2021- March 2022		20.10	19.71	0.62	616.17	872.87	256.08	-	469.25	12.79	-	12.79	-		
R S L Software Co. Ltd., Sudan	February 26, 2012	April 2022- March 2023	SDG	0.14	0.18	2.08	(0.75)	1.91	0.58	-	-	0.49	0.08	0.41	-	100%	
		April 2021- March 2022		0.17	0.20	2.08	(0.85)	1.85	0.62	-	-	0.16	0.02	0.14	-		

Part A - Subsidiaries:

Name of the subsidiary	Date of becoming subsidiary	Reporting Period	Reporting currency	Exchange Rate used (Rs. per unit of foreign currency)		Share Capital	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share Capital and Reserves and Surplus)	Investments	Turnover	Profit/(Loss) Before Tax	Provision for Tax	Profit After Tax	Proposed dividend	Rs. Min. % of shareholding
				B/S	P&L											
Ramco Systems Australia Pty Ltd., Australia	August 20, 2012	April 2022- March 2023	AUD	54.34	54.29	1063.17	(1615.11)	390.76	942.70	-	606.42	(248.22)	-	(248.22)	-	100%
		April 2021- March 2022		55.85	54.14	795.24	(1384.31)	465.10	1,054.17	-	577.59	(71.29)	1.91	(73.20)	-	
Ramco System Inc., Philippines	April 05, 2016	April 2022- March 2023	PHP	1.51	1.45	17.44	133.29	499.35	348.62	-	334.01	(57.49)	(12.38)	(45.11)	-	100%
		April 2021- March 2022		1.46	1.49	17.44	173.24	587.22	396.54	-	320.81	34.77	12.45	22.32	-	
Ramco Systems (Shanghai) Co. Ltd., China	November 03, 2016	April 2022- March 2023	CNY	11.86	11.59	10.41	(36.94)	87.33	113.86	-	35.11	(11.48)	-	(11.48)	-	100%
		April 2021- March 2022		11.81	11.45	10.41	(24.85)	72.35	86.79	-	36.75	(20.55)	-	(20.55)	-	
Ramco System Vietnam Company Limited, Vietnam	July 03, 2017	April 2022- March 2023	VND	0.0035	0.0034	23.91	(28.30)	4.39	8.78	-	2.90	(2.55)	-	(2.55)	-	100%
		April 2021- March 2022		0.0033	0.0033	23.91	(25.45)	5.25	6.79	-	2.25	(3.32)	-	(3.32)	-	
PT Ramco Systems Indonesia, Indonesia	October 11, 2017	April 2022- March 2023	IDR	0.01	0.01	55.40	(110.72)	19.83	75.15	-	14.67	(14.87)	-	(14.87)	-	100%
		April 2021- March 2022		0.01	0.01	55.40	(94.20)	18.71	57.51	-	9.50	(29.33)	-	(29.33)	-	
Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)	May 03, 2019	April 2022- March 2023	MOP	10.16	9.91	-	(1.08)	-	1.08	-	-	(0.27)	-	(0.27)	-	100%
		April 2021- March 2022		9.37	9.24	-	(0.74)	-	(0.74)	-	-	(0.23)	-	(0.23)	-	
Ramco Software Japan Limited, Japan	April 01, 2021	April 2022- March 2023	JPY	0.61	0.59	6.42	(45.23)	2.51	41.32	-	-	(35.39)	-	(35.39)	-	100%
		April 2021- March 2022		0.61	0.65	6.42	(8.47)	3.84	5.89	-	-	(8.41)	-	(8.41)	-	
Ramco Systems Defense and Security Incorporated, USA (100% subsidiary of Ramco Systems Corporation, USA)	November 01, 2021	April 2022- March 2023	USD	81.72	79.67	7.45	(0.15)	109.09	101.79	-	112.19	4.29	0.09	4.20	-	98%
		April 2021- March 2022		75.32	73.84	7.45	(4.62)	4.54	1.71	-	-	(4.61)	-	(4.61)	-	

Notes:

- The Company had incorporated following wholly owned subsidiaries during the FY 2022-23 which are yet to commence its business operations and share capital is yet to be infused:
 - Ramco Middle East for Information Technology, Saudi Arabia on April 01, 2022
 - Ramco System LLC, Qatar on December 27, 2022
- The subsidiaries marked with # were acquired from Ramco Industries Limited on January 28, 2000.



Part B - Associate Company:

Name of the associate	Latest audited Balance Sheet Date	Date of becoming associate	Shares of associate held by the Company on the year end			Description on how there is significant influence	Reason why the associate is not consolidated	As per the latest unaudited Balance Sheet as at February 28, 2023		Considered in consolidation	Rs. Min. Not considered in consolidation
			No. of Shares	Amount of investment	Extent of Holding %			Net worth attributable to shareholding	Profit / (Loss) for the year		
CityWorks (Pty.) Ltd., South Africa	February 28, 2022	February 05, 2004	600	0.003	30%	By virtue of Shareholding	Not Applicable	16.54	0.53	0.16	0.37

As per our report annexed

For M S JAGANNATHAN & N KRISHNASWAMI

Chartered Accountants
Firm Registration No. 001208S

K SRINIVASAN

Partner
Membership No.: 021510

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director
Vancouver, Canada

N E VIJAYA RAGHAVAN

Company Secretary

Place: Chennai

Date : May 17, 2023

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

DETAILS OF EMPLOYEE STOCK OPTION PLANS / SCHEMES

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

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

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

I. Expired Schemes

- i. Employee Stock Option Plan, 2000 (ESOP 2000)
- ii. Employee Stock Option Scheme, 2003 (ESOS 2003)
- iii. Employee Stock Option Scheme, 2004 (ESOS 2004)

II. Live Schemes

- (A) Employee Stock Option Scheme, 2008 (ESOS 2008)
- (B) Employee Stock Option Scheme, 2009 - Plan A (ESOS 2009 - Plan A)
- (C) Employee Stock Option Scheme, 2009 - Plan B (ESOS 2009 - Plan B)
- (D) Employee Stock Option Scheme, 2013 (ESOS 2013)

(E) Employee Stock Option Scheme, 2014 (ESOS 2014) and

(F) Employee Stock Option Scheme, 2022 (ESOS 2022)

Details of the live schemes are given below:

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

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

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

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

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

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

Details of options vested, exercised, lapsed etc. for ESOS 2008 during the year are given in Table 1 – “Option movement during the FY 2022-23” at the end of this Annexure.

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

ESOS 2009 – Plan A:

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

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

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

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

Further to this, the Compensation Committee granted further 130,000 options to eligible employees of the Company on May 17, 2012. Out of the 130,000 options, 60,000 options were granted to Mr. Virender Aggarwal, the then CEO of the Company (ceased to be in the employment with effect from November 12, 2021), at an exercise price of Rs.115 per share, having a vesting period of 3 years and an exercise period of 10 years from the date of vesting of the final lot. The options other than those vested in the first lot shall vest on a quarterly basis. The options under the first lot shall vest at the end of one year from the date of grant. 20,000 options were granted to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director of the Company, at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting. The remaining 50,000 options were granted to an eligible employee at an exercise price of Rs.10 per share, having a vesting period of 1 year and an exercise period of 10 years from the date of vesting.

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

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

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

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

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

Details of options vested, exercised, lapsed etc., for ESOS 2009 Plan - A during the year are given in Table 1 – “Option movement during the FY 2022-23”, at the end of this Annexure.

ESOS 2009 – Plan B:

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

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

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

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

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

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

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



Plan	Original Price (Rs.)	No. of options outstanding on April 23, 2014	Revised Price (Rs.)	Revised No. of options
ESOS 2009 – Plan B	10	25,000	10	25,000
	94	295,210	90	309,750
	115	60,000	110	62,949

Details of options vested, exercised, lapsed etc., for ESOS 2009 Plan - B during the year are given in Table 1 – “Option movement during the FY 2022-23”, at the end of this Annexure.

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

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

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

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

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

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

During the FY 2022-23, the NRC in its Meeting held on April 29, 2022 had granted 127,500 stock options @ Rs.10 each and 127,500 stock options @ Rs.160 each.

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

Details of options vested, exercised, lapsed etc. for ESOS 2013 during the year are given in Table 1 – “Option movement during the FY 2022-23”, at the end of this Annexure.

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

The Members vide postal ballot dated September 12, 2014 have approved, an issue of 1,000,000 stock options convertible into equity shares of Rs.10 each with the number of stock options that could be granted to the Non-Executive & Non-Independent Directors of the Company not exceeding 200,000 options per year and 400,000 options in aggregate. The Compensation Committee in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, (as amended from time to time) 1999, framed detailed schemes in this regard.

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

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

During the FY 2017-18, the NRC had granted the following stock options on various dates viz., May 29, 2017, July 21, 2017, September 11, 2017, October 13, 2017, November

02, 2017, December 15, 2017, January 16, 2018 and March 08, 2018 at various exercise prices viz., 45,000 stock options @ Rs.10 each, 12,500 stock options @ Rs.168 each, 5,000 stock options @ Rs.184 each, 10,000 stock options @ Rs.193 each, 2,500 stock options @ Rs.202 each, 7,500 stock options @ Rs.214 each, 22,500 stock options @ Rs.228 each, 17,500 stock options @ Rs.245 each, 12,500 stock options @ Rs.277 each, 6,250 stock options @ Rs.336 each, 2,500 stock options @ Rs.367 each, 5,000 stock options @ Rs.385 each, 1,250 stock options @ Rs.404 each, 3,750 stock options @ Rs.427 each, 11,250 stock options @ Rs.455 each, 8,750 stock options @ Rs.490 each and 6,250 stock options @ Rs.553 each.

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

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

During the FY 2020-21, the NRC had granted 25,000 Stock Options @ Rs.10 each on September 18, 2020 to Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director with a vesting period of 3 years and an exercise period of 10 years from the date of vesting and 20,000 Stock Options to Other Employees on September 18, 2020 and December 18, 2020 at various exercise prices viz., 5,000 stock options @ Rs.10 each, 5,000 stock options @ Rs.181 each, 2,500 stock options @ Rs.361 each, 5,000 stock options @ Rs.290 each and 2,500 stock options @ Rs.580 each.

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

During the FY 2022-23, the NRC had granted the following stock options on various dates viz., April 29, 2022 and June 03, 2023 at various exercise prices viz., 324,750 stock options @ Rs.10 each, 22,500 stock options @ Rs.129 each, 313,500 stock options @ Rs.160 each and 11,250 stock options @ Rs.258 each.

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

Details of options vested, exercised, lapsed etc. for ESOS 2014 during the year are given in Table 1 – “Option movement during the FY 2022-23”, at the end of this Annexure.

E. Employee Stock Option Scheme, 2022 (ESOS 2022):

The Members at the Twenty Fifth Annual General Meeting held on August 10, 2022, have approved, an issue of 1,500,000 stock options convertible into equity shares of Rs.10/- each with the number of stock options that could be granted to the Non- Executive Directors of the Company not exceeding 200,000 options per year and 400,000 options in aggregate. The Nomination and Remuneration Committee (designated Compensation Committee) in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, framed detailed scheme in this regard.

During the FY 2022-23, the Nomination and Remuneration Committee had granted the following stock options on September 21, 2022 and February 01, 2023 with a vesting period of 3 years and exercise period of 10 years from the date of vesting of the final lot:

Category	Price (Rs.)	Number of options
Mr. R Ravi Kula Chandran, CFO	10	25,000
	160	25,000
Mr. Raghuveer Sandesh Bilagi, COO	10	30,000
	160	30,000
Other Employees	10	407,000
	160	407,000

Details of options vested, exercised, lapsed etc. for ESOS 2022 during the year are given below in Table 1 – “Option movement during the FY 2022-23:

**Table 1 – Option movement during the FY 2022-23:**

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013	ESOS 2014	ESOS 2022	Weighted Avg. Exercise prices (Rs.)
1.	Number of options outstanding at the beginning of the period	57,829	96,982	113,800	275,937	187,236	-	261.78
2.	Number of options granted during the year	-	-	-	255,000	672,000	924,000	74.42
3.	Number of options forfeited / lapsed during the year	2,936	11,259	28,555	61,748	86,751	13,000	245.12
4.	Number of Options vested during the year	-	-	-	-	13,508	-	N.A.
5.	Number of options exercised during the year	4,869	252	8,519	-	20,634	-	29.29
6.	Number of shares arising as a result of exercise of options	4,869	252	8,519	-	20,634	-	N.A.
7.	Money realised by exercise of options (Rs.), if scheme is implemented directly by the Company	248,319	22,680	526,710	-	206,340	-	N.A.
8.	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9.	Number of options outstanding at the end of the year	50,024	85,471	76,726	469,189	751,851	911,000	118.69
10.	No. of options exercisable at the end of the year	50,024	85,471	76,726	244,189	114,362	-	252.65
11.	Method of calculation of employee compensation cost	Fair Value, using Black Scholes Merton model						
12.	Fair value of the options (net off reversals due to resignation of Option Grantees) for the FY 2022-23 (using Black Scholes Merton model)	Rs.200.05 Mln.						
13.	Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at Sl. No. 11 above and the employee cost that shall have been recognised if fair value of options computed at Sl. No. 12 above is used	Not Applicable						
14.	The impact of the difference mentioned in Sl. No. 13 above on profits and on EPS of the Company	Not Applicable						

Sl. No.	Particulars	ESOS 2008	ESOS 2009 - Plan A	ESOS 2009 - Plan B	ESOS 2013	ESOS 2014	ESOS 2022	Weighted Avg. Exercise prices (Rs.)
15.	Weighted Average exercise prices and Weighted Average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per option is Rs.126.85 Weighted average fair value per option is Rs.264.58						
16.	Weighted average share price at the date of exercise	The weighted average share price arising upon exercise of Options, based on the closing market price on National Stock Exchange of India Limited, on the date of exercise of options (the date of allotment of shares by the Allotment Committee) for the year ended March 31, 2023 was Rs.251.01						
17.	Range of Exercise Prices & Weighted Average remaining contractual life	Sl. No.	Particulars	No. of Options Out-standing	As at March 31, 2023			
					Range of Exercise Prices (Rs.)	Weighted Average remaining contractual life (years)		
		1.	ESOS 2008	50,024	51 to 230	2.96		
		2.	ESOS 2009 - Plan A	85,471	10 to 356	3.46		
		3.	ESOS 2009 - Plan B	76,726	10 to 356	2.61		
		4.	ESOS 2013	469,189	10 to 696	8.12		
		5.	ESOS 2014	751,851	10 to 1066	11.45		
		6.	ESOS 2022	911,000	10 to 160	12.50		

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

i)	Weighted Average Market price	Rs.312.86
ii)	Weighted Average Exercise Price	Rs.126.85
iii)	Weighted Average Stock Volatility	42.11%
iv)	Weighted Average Risk Free Interest Rate (%)	7.50%
v)	Weighted Average expected option life	10 years
vi)	Weighted Average expected dividends	Dividend yield not considered
vii)	Methodology for determination of volatility	The volatility of the stock returns (closing price of the Company's stock on NSE) of the Company for the period of one year prior to the date of grant of options has been considered. The Company has not incorporated the early exercise of options. There are no market conditions attached to the grant and vest.

**Table 2 – Details of options granted in the FY 2022-23 to:****(These stock options were granted under ESOS 2022 on September 21, 2022)**

a.	Key Managerial Personnel	Mr. R Ravi Kula Chandran, Chief Financial Officer: 50,000 options (25,000 @ Rs.10 each and 25,000 @Rs.160 each)
b.	Employees who received a grant in the year amounting to 5% or more of options granted during the year	<p>Mr. Raghuveer Sandesh Bilagi - Chief Operating Officer: 60,000 options (30,000@ Rs.10 each and 30,000@ Rs.160 each)</p> <p>Mr. Rajiv R - Chief Human Resource Officer: 60,000 options (30,000@ Rs.10 each and 30,000@ Rs.160 each)</p> <p>Mr. Manoj Kumar Singh - Executive Vice President-Global AVN & MRO Solution - United States: 50,000 options (25,000@ Rs.10 each and 25,000@ Rs.160 each)</p> <p>Mr. Prashanth Vasu - President- President - SULOG: 50,000 options (25,000@ Rs.10 each and 25,000@ Rs.160 each)</p> <p>Mr. Sam Jacob - Senior Vice President & SBU Head-AAD - SBUAVN: 50,000 options (25,000@ Rs.10 each and 25,000@ Rs.160 each)</p> <p>Mr. Subbaraman Ramaswamy - Senior Vice President - SAL: 50,000 options (25,000@ Rs.10 each and 25,000@ Rs.160 each)</p> <p>Mr. Rohit Mathur - Senior Vice President & SBU Head - HCM - SBUHCM: 50,000 options (25,000@ Rs.10 each and 25,000@ Rs.160 each)</p>
c.	Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

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

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

P R VENKETRAMA RAJA
Chairman

Place : Chennai
Date : May 17, 2023

DISCLOSURES RELATING TO REMUNERATION

In accordance with Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) & (ii) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Whole Time Director (“WTD”) / Manager, Directors, Chief Financial Officer (“CFO”) and Company Secretary (“CS”) during the FY 2022-23:

Name of Director / KMP	Category / Designation	Remuneration of Director / KMP for FY 2022-23 Rs. Mln.	% Increase / (Decrease) in Remuneration in the FY 2022-23	Ratio of remuneration of each Director to median remuneration of employees
Mr. P R Venketrama Raja	Chairman / Non-Executive & Promoter Director	0.18	0.00%	0.33:1
Mr. M M Venkatachalam	Non-Executive & Independent Director	0.36	9.09%	0.66:1
Mr. A V Dharmakrishnan	Non-Executive & Non-Independent Director	0.33	0.00%	0.61:1
Mr. R S Agarwal	Non-Executive & Independent Director	0.36	0.00%	0.66:1
Mrs. Soundara Kumar	Non-Executive & Independent Director	0.30	(16.67%)	0.55:1
Mr. Sankar Krishnan	Non-Executive & Non-Independent Director	0.33	22.22%	0.61:1
Justice Mr. P P S Janarthana Raja (Retd.)	Non-Executive & Independent Director	0.36	0.00%	0.66:1
Mr. P V Abinav Ramasubramaniam Raja	WTD	1.50	0.12%	2.43:1
Mr. R Ravi Kula Chandran	CFO	8.97	(17.39%)	N.A.
Mr. Vijaya Raghavan N E	CS	2.48	26.87%	N.A.

Notes:

- (iii) The median remuneration of employees of the Company during the financial year was Rs.544,109 and the percentage increase in the median remuneration was 7.94%.
- (iv) There were 1,915 permanent employees on the rolls of the Company and 2,137 permanent employees including those in the subsidiaries as on March 31, 2023.
- (v) Average percentage increase in salaries of employees other than the managerial personnel (i.e. WTD) in the FY 2022-23 was 9% and the increase in the managerial remuneration (i.e. WTD) in the FY 2022-23 was 0.12%.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company to Directors, Key Managerial Personnel and other Employees.
- (vii) No employee who was in receipt of remuneration in excess of that drawn by Managing Director, holds 2% or more of the equity shares of the Company by himself or along with his spouse and dependent children.

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

Date : May 17, 2023
Place : Chennai

P R VENKETRAMA RAJA
Chairman



FORM NO. MR-3

Secretarial Audit Report for the financial year ended 31st March 2023

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

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAMCO SYSTEMS LIMITED** ('the Company') **during the financial year from April 1, 2022 to March 31, 2023** ('the year'/'audit period'/'period under review').

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

We are issuing this report based on:

- (i) Our examination / verification of the physical / electronic books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after March 31, 2023 but before the issue of this audit report;
- (ii) Compliance report on all laws applicable to the Company given by the Whole Time Director, Chief Financial Officer and Company Secretary of the Company and taken on record by the Board of Directors; and
- (iii) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the financial year ended on March 31, 2023, the Company has complied with the statutory provisions listed hereunder; and also has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We report that:

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company

and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements set out hereunder.

- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2023 but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, the Company's compliance with the said applicable provisions/ clauses of the Acts, Rules, Regulations, Standards and Agreements are as set out hereunder.
- 1.3 The Company has complied with the following:
 - (i) The Companies Act, 2013 and the rules made thereunder (the Act);
 - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - (iv) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments ('FEMA');
 - (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST);
 - (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (vii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements) read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR); and
 - (viii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021.

- (ix) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (x) The Software Technology Park (STP) Scheme based on Foreign Trade Policy of the Department of Commerce, Government of India, which is specifically applicable to the Company's STP unit located in Chennai.
- (xi) Secretarial Standards -1 (SS-1) on Meetings of the Board of Directors, and Secretarial Standards -2 on General Meetings, issued by the Institute of Company Secretaries of India, to the extent applicable to the Board Meetings and General Meetings (including Postal ballot) held during the year.

1.4 The Company was not required to comply with the following on account of the non- applicability / non-occurrence of any relevant event during the year:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- (ii) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (iv) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations; 2021;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; 2021;
- (vi) Secretarial Standards on Dividend (SS-3) (non-mandatory) issued by the Institute of Company Secretaries of India; and
- (vii) Secretarial Standards on Board's Report (SS-4) (non-mandatory) issued by the Institute of Company Secretaries of India.

2 Board processes

We further report that:

2.1 Board constitution and balance

- (a) The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Companies Act 2013 ("the Act") and SEBI LODR.
- (b) As on March 31, 2023, the Board has:

- (i) One Executive Director;
 - (ii) Three Non-Executive Non-Independent Directors; and
 - (iii) Four Non-Executive Independent Directors, including One Independent Woman director.
- (c) The following changes took place in the composition of the Board of Directors during the year, in compliance with the applicable provisions of the Act and SEBI (LODR):
- (i) Re-appointment of Sri. P.R.Venketrana Raja (DIN 00331406) as a Non-Executive Director upon retirement by rotation at the 25th AGM held on August 10, 2022.
 - (ii) Re-appointment of Sri.P.V.Abinav Ramasubramaniam Raja (DIN 07273249) as a Whole Time Key Managerial Personnel in the position of Manager with the designation as Whole Time Director for a period of two years from June 4, 2022 to June 3, 2024 at the 25th AGM held on August 10, 2022.

2.2 Board meetings

- (a) Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings and Notice of Board meetings were sent at least 7 (seven) days in advance, except for the meetings which were convened with Shorter Notice.
- (b) Agenda and detailed notes on agenda were sent to the directors at least 7 (seven) days before the Board meetings except for the meetings which were convened with Shorter Notice. The following items were either circulated separately or at the Board meetings with the requisite consent as per SS-1:
 - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results/ unaudited financial results and connected papers; and
 - (ii) Additional subjects/ information/ presentations and supplementary notes.

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

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

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any



Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3 Compliance mechanism

We further report that:

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

4 Specific events/ actions

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

(a) Allotment of Equity Shares

During the year, an aggregate of 34,274 Equity Shares of Rs. 10/- each were allotted for cash at the applicable exercise prices to eligible employees of the Company under various Employees Stock Option Schemes (ESOS Schemes).

Members accorded their approval by way of Special Resolution through Postal Ballot on January 21, 2023 for the issue and allotment of 43,79,561 equity shares of Rs. 10/- each at a premium of Rs. 264/- on preferential basis to persons belonging to Promoter and Non- Promoter categories. The equity shares were allotted on 1st February 2023. Consequent to the above allotments, the number of Equity shares in the paid-up capital of the Company increased from 3,08,13,921 to 3,52,27,756.

(b) Issue of Convertible Warrants

Members accorded their approval by way of Special Resolution through Postal Ballot on January 21, 2023 for the issue and allotment 14,59,854 fully convertible equity warrants, each carrying a right to exercisable by the warrant holder to subscribe to one equity share of face value of Rs. 10/- each at a premium of Rs. 264/- per share, to Sri.P.R.Venketrama Raja, Promoter, and Non-Executive Director of the Company.

(c) Approval of Employee Stock Option Scheme – 2022 (ESOS 2022)

The Members at the 25th Annual General Meeting (AGM) held on 10th August 2022 approved the Employee Stock Option Scheme – 2022 (ESOS 2022), with authorisation to the Board of Directors to create, grant, offer, issue and allot, in one or more tranches, not exceeding 15,00,000 employee stock options, exercisable into not more than 15,00,000 Equity shares of Rs.10/- each.

(d) Grant of Stock Options under various Employee Stock Option Schemes

During the year, the Nomination and Remuneration Committee has approved the grant of an aggregate of 18,51,000 stock options under various ESOS Schemes, to eligible employees of the Company/ its subsidiaries.

(e) Incorporation of Wholly Owned Subsidiaries

- (i) Ramco Middle East for Information Technology was incorporated as a wholly owned subsidiary in Saudi Arabia on 1st April 2022; and
- (ii) Ramco Systems LLC was incorporated as a wholly owned subsidiary in Qatar on 27th December 2022.

(f) Buy back of shares and conversion of loans into equity in Wholly Owned Subsidiaries

- (i) RSL Enterprise Solutions (Pty) Ltd., South Africa, has made buy back of shares held by the Company to the extent of 96,75,050 shares during March 2022 and 38,70,020 shares during March 2023. 58,05,030 shares of face value of ZAR 1 each, are held by the Company as on 31st March 2023, post the buyback.
- (ii) The loan amount of 50,25,000 AUD payable by Ramco Systems Australia Pty Ltd., Australia, to the Company was fully converted into 50,25,000 equity shares of face value of AUD 1 each at par.

For **S. KRISHNAMURTHY & CO.,**

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

(Peer Review Certificate No. 739/2020)

K SRIRAM

Partner

Membership No: F6312

Certificate of Practice No: 2215

UDIN: F006312E000322474

Date : 17th May 2023

Place : Chennai

ANNEXURE – 1 TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2023 is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2023 but before the issue of this report.
5. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
6. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.
8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
9. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For **S. KRISHNAMURTHY & CO.,**

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

(Peer Review Certificate No. 739/2020)

K SRIRAM

Partner

Membership No: F6312

Certificate of Practice No: 2215

UDIN: F006312E000322474

Date : 17th May 2023

Place : Chennai



ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The objectives of the CSR Policy are:

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

2. Composition of the CSR Committee:

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

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

Composition of CSR Committee:

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

CSR Policy:

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

CSR Projects:

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

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

The Company undertook the CSR projects and their implementation through Auroville Foundation – Botanical Garden Unit and Ramasubrahmaneya Rajha Ramco Foundation (RRRF).

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

- Average net profit of the Company as per sub-section (5) of Section 135 (FY 2019-20 to FY 2021-22) Rs. 301,684,080/-
- Two percent of average net profit of the Company as per sub-section (5) of Section 135: Rs.6,033,681/-
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- Amount required to be set-off for the financial year, if any : Nil
- Total CSR obligation for the financial year [(b)+(c)-(d)] : Rs.6,033,681/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Rs.1,500,000/-
 (b) Amount spent in Administrative overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Nil
 (d) Total amount spent for the financial year [(a)+(b)+(c)] : Rs.1,500,000/-
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
Rs.1,500,000	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	4,533,681.60	April 27, 2023		Nil	

- (f) Excess amount of set-off, if any:

SI. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	6,033,681.60
(ii)	Total amount spent for the financial year	1,500,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
SI. No.	Preceding financial year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.)	Balance amount in Unspent CSR Account under sub-section (6) of Section 135 (in Rs.)	Amount Spent in the financial year (in Rs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1.	FY-1 2021-22	12,430,000	7,380,000	5,050,000	Nil	Nil	7,380,000	Nil
2.	FY-2 2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY-3 2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year; Yes / No; If Yes, enter the number of Capital assets created/ acquired: No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
Nil							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135. NA

P R VENKETRAMA RAJA
(Chairman CSR Committee)

M M VENKATACHALAM
(Director)

Place : Chennai
Date : May 17, 2023

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

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

a. Name(s) of the related party and nature of relationship	Not applicable since there were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2023 which were not at arm's length basis.
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date (s) of approval by the Board	
g. Amount paid as advances, if any	
h. Date on which the resolution was passed in General Meeting as required under first proviso to Section 188	

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

a. Name(s) of the related party and nature of relationship	Not applicable since there were no material contracts or arrangements or transactions entered into during the financial year ended March 31, 2023.
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Date(s) of approval by the Board, if any	
f. Amount paid as advances, if any	

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

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

P R VENKETRAMA RAJA
Chairman

Place : Chennai
Date : May 17, 2023



ANNEXURE VII

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

[In accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, the following information is furnished for the year ended March 31, 2023]

(A) CONSERVATION OF ENERGY:

- (i) Steps taken or impact on conservation of energy:-
As a part of energy conservation activity: Desktop to Laptop Transition: We had replaced the desktops with the laptops for the employees, which resulted into savings of approx. 1.5 units per desktop per day.

Server consolidation into HCI: We have invested into current state of the art Hyper converge Servers which helps in performance and energy savings.

- (ii) Steps taken by the Company for utilizing the alternate sources of energy:- Nil
- (iii) Capital investment on energy conservation equipments:- Nil

- Strengthening mobility through 'Evolv'

The year also witnessed the launch of a new and modern Mobile App (iOS, Android) – 'Ramco Evolv' using React and UDS APIs.

- NEBULA – Support for co-existence

- At Ramco, the FY 2022-23 witnessed the further evolvement of NEBULA, Ramco's new technology platform for upgrading Ramco Enterprise Application suites on to ReactJS application driven by REST based APIs. Developed on a lean/ mean architecture, the platform enables responsive user interface for seamless rendering across forms, devices and browsers with backward compatibility.

(B) TECHNOLOGY ABSORPTION:

Today's evolving technology is offering modern enterprises a platform full of new opportunities and growth. Continuous innovations in enterprise applications have been playing a pivotal role in transforming business processes. FY 2022-23 witnessed the emergence of various product capabilities developed by Ramco, with an intent to define the future of enterprise applications.

Efforts made and benefits derived from technology absorption:

- Ramco VirtualWorks (RVW) with UDS Integration

In the quest to modernize VirtualWorks, during the FY 2022-23, the Company undertook a major initiative, through enhancements to RVW Platform, Desktop and Mobile UIs thereby extending seamless integration, execution of UDS APIs, existing WCF based VW Services.

(UDS is the new middle layer Server Application leveraging GraphQL, Redis for in-memory caching.)

- Ramco Domain Services

A new component has been included into the Ramco VirtualWorks platform to adopt CQRS architecture pattern. The architecture changes provide the ability for building scalable applications. Concept of domain services evolved using Domain Driven Design (DDD) principles. Another capability added is to support Platform As a Service (PAAS) by adopting microservice architecture and deployment support on Kubernetes.

- Robotic Process Automation

FY 2022-23 was the year of Robotic Process Automation and so was it for Ramco. We witnessed rise in the use of Robotic Process Automation tools across multiple Business Units viz., Global Payroll & HR, ERP, and Aviation. An in-house python-based RPA framework has been built supporting web, excel, winApp, pdf and database applications. RPA helps in automating repetitive manual business processes performed by the employees, benefitting them by reducing the manual effort spent on the task and increasing the accuracy of the output. High volume tasks with short deadlines are being executed within the delivery time using RPA. We have seen tremendous value by way of operational efficiency in Payroll Managed Services and in use within Ramco across other departments, such as Finance and HR as well.

- Track Customer Issue tracking and Self Help System

During the year, we deployed an enhanced version of our customer issue tracking system, rTrack at all our client sites in two versions, viz., rTrackPlus that is fully integrated with our Platform/ Solutions and rTrack Lite on Cloud. This eased up the process of raising tickets and served as a platform for self-help and learning, by enabling the clients to browse through a wide range of FAQs, and quickly resolving the most common problems/ queries faced by them. The solution is also packaged with an AI-based

recommendation engine, to suggest relevant FAQs and similar tickets, as users try to raise issues. We have also standardized our internal support process workflows and implemented industry best practices. Further, we enhanced support dashboard providing real-time insights into customer support performance metrics, SLAs and usage statistics. This initiative received very positive feedback from our clients, thereby helping us improve our Customer Delight.

Key Developments and Enhancements:

➤ Zero Touch Approvals

Strengthening our game on the Zero UI front, a host of new transactions were brought under the coverage of multi-level approval with mail and mobile based actions, along with a facility to view the WF History/ Traceability.

➤ API Libraries

Ramco ERP continued to add endpoints to the standard API library. API is looked at as a generic fabric to scale up the application thereby enabling multi-channel integration with the application be it on bots/ e-mail/ mobile.

➤ Collaborative Eco-System

A new Customer Portal is designed on for a richer experience aiming at showing contextual information and managing exceptions. The new portal with real estate flavor brings in add-on features and functions, via API calls. This acts as a collaborative platform between the organisation and its customers. Enables easy enquiries and efficient communication management via real time data, thereby reducing the friction in the funnel.

➤ Bryntum Gantts & Scheduling

The power of Bryntum Gantt is used for scheduling and updating Production Orders, as a part of Enterprise Resource Planning solution. The Calendar is leveraged to manage the Timelines for tasks, and resources.

➤ Digitization of OEM Tech data

Customers can realise true paperless maintenance operations with our enhanced ePublications module and its seamless integration with our full-function and native mobile "Anywhere" apps. Ramco has brought in significant efficiency improvements in automating task and task card set up from OEM documents,

authoring task cards, and making the content readily available in the hands of an engineer/mechanic for real-time consumption and execution actioning

➤ Micro-function management

A deep focus in managing micro-content has resulted in "Full/Complete digital onboarding" of all functions in an Enterprise value chain. Small, but deep technical functions and steps, as well as functions with a high degree of domain complexity that are traditionally treated as "exceptions" and kept out of mainstream enterprise system deployment, are now specifically addressed through targeted capability enhancements and extensive functionalities across the product.

➤ Driving Efficiency through Process Automation

With the data and process intensive nature of our industry and the constant trade-off between productive wrench time and avoidable system time, it is our constant endeavor to provide rich user experience for our end-users, through improved system design. Several new process automations have been introduced across configuration, workscoping, procurement, repair, material request, exchanges, work- execution, routing, and billing functions such that the standard processes can be automated through configurable rules, avoiding any human intervention. An improved version of Ramco Route Anywhere has been introduced to manage physical routing and track/trace functions.

➤ Complex Assembly Maintenance

Comprehensive improvements covering the work planning, execution, and closure functions, have been introduced in the Complex Assembly Maintenance processes. Organisations can now leverage functionality addressing robust modeling of the complex assembly configurations and engineering evolutions including Job Induction, Planning, Workscoping, Execution, Kitting and Billing.

➤ Customer Portal

As an initiative in the Digital Transformation journey, we relaunched a new Customer Portal for MRO functions with a refreshed and highly configurable modern user interface. The new portal aims at providing end-to-end digitization of all customer interactions and provides extensive support for Notifications and Doc Exchange.



➤ **Planning & Optimisation**

Ramco has addressed the need for functional and usability improvements in In-memory planning and optimisation functions, specifically in Material Requirement Planning (MRP) and Work Order Scheduling. These include refinements in MRP catering to unique demand, supply and allocation rule variations prevalent in this industry around ownership and condition rules, remaining life limits, certification checks etc. The graphical planning function for work order scheduling is enhanced for sharper visualization of constraints, exceptions, critical path etc., with improved decision making.

➤ **Unified Hubs**

Ramco has built a Payroll Services hub, which acts as a single unified platform to track payroll details for Payroll Customers, Ramco's Payroll Operations Team and the ICP's to view and update the status of the payroll operations holistically including managing tasks, tracking status and reports thereby reducing time and efforts spent in manual tracking. It gives a real-time detailed view including tracking of activities vis-à-vis timelines, alerts for upcoming timelines, view file uploads by various roles and provides a consolidated report view.

➤ **Self Service Reporting**

This 'make-your-own reports' tool enables users to create/share reports on the go. This allows users to create their own reports, report views, snapshots, dashboards - combining business data from different sources/modules beyond payroll.

Benefits derived:

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

- Improved end user experience with reduced number of API calls

- Improved user experience resulted through improved UI styling, compact UIs allowing more content, less scroll with React based UIs, and Contextual Real-time Chat

1. Details of imported technology (imported during the last three years reckoned from the beginning of the financial year)

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

2. Expenditure on R&D (Refer Note no. 5 to R&D Accounts)

Particulars	Rs. Mln.	
	FY 2022-23	FY 2021-22
Capital	0.24	5.02
Recurring	1,096.34	725.09
Total	1,096.58	730.11
Total R&D expenditure as a percentage of total revenue	44.25%	26.11%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Rs. Mln.	
	FY 2022-23	FY 2021-22
Foreign Exchange Earned in terms of actual inflows	1,547.34	1,723.65
Foreign Exchange Outgo in terms of actual outflows	455.37	441.72

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

P R VENKETRAMA RAJA
Chairman

Place : Chennai
Date : May 17, 2023

CORPORATE GOVERNANCE REPORT

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

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



PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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



BOARD OF DIRECTORS

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

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

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

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

Board's Composition

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

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

Directors' Information

The details of the Directors, their age, designation, attendance in the Board and General Meeting held during the year and their shareholding in the Company as on March 31, 2023 are as follows:

**Corporate Governance Report (Contd.)**

Name of the Director/DIN	Age	Designation/ Position	Attendance		No. of equity shares held and % of holding
			Board Meeting held/attended	Last (25th) AGM	
Mr. P R Venketrama Raja DIN:00331406	64	Chairman / Non- Executive & Non- Independent Director, Promoter	6/6	Yes	3,353,366 (9.52%)
Mr. P V Abinav Ramasubramaniam Raja DIN:07273249	29	Whole Time Director/ Executive & Non-Independent Director	6/6	Yes	110,332 (0.31%)
Mr. M M Venkatachalam DIN:00152619	64	Non-Executive & Independent Director	6/6	Yes	-
Mr. A V Dharmakrishnan DIN:00693181	66	Non-Executive & Non-Independent Director	6/6	Yes	188,192 (0.53%)
Mr. R S Agarwal DIN:00012594	80	Non-Executive & Independent Director	6/6	Yes	-
Mrs. Soundara Kumar DIN:01974515	68	Non-Executive & Independent Director	6/5	Yes	-
Mr. Sankar Krishnan DIN:01597033	55	Non-Executive & Non- Independent Director	6/6	Yes	-
Justice Mr. P P S Janarthana Raja (Retd.) DIN:06702871	72	Non-Executive & Independent Director	6/6	Yes	-

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

Board Skills

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

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

Corporate Governance Report (Contd.)

Directors' Positions

In accordance with Regulation 26(1) of the SEBI LODR, none of the Directors is a Member in more than ten (10) Committees nor any of them a Chairperson of more than five (5) Committees across all listed entities in which they are Directors. As mandated under Regulation 17 of the SEBI LODR, none of the Directors holds Directorship in more than Seven (7) listed entities and not holding position as Independent Director in more than seven (7) listed entities. All the Directors have furnished their Directorship and Committee position in other entities as on March 31, 2023 in accordance with the Act and SEBI LODR.

Name of the Director	Directorship/Chairpersonship in Board*		Chairpersonship/Membership in Committees**		Directorships in Listed Entities other than this entity	
	Director	Chair-person	Member	Chair-person	Company	Category
Mr. P R Venketrama Raja	8	6 out of 8	6	3 out of 6	The Ramco Cements Limited	Executive & Non- Independent
					Ramco Industries Limited	Non-Executive & Non-Independent
					Rajapalayam Mills Limited	Non-Executive & Non-Independent
					The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent
Mr. P V Abinav Ramasubramaniam Raja	3	-	1	1 of 1	Ramco Industries Limited	Executive & Non- Independent
					Rajapalayam Mills Limited	Non-Executive & Non-Independent
Mr. M M Venkatachalam	6	2 out of 6	5	3 out of 5	The Ramco Cements Limited	Non-Executive & Independent
					Coromandel International Limited	Non-Executive & Non-Independent
					E.I.D Parry (India) Limited	Non-Executive & Non-Independent
					Coromandel Engineering Company Limited	Non-Executive & Non-Independent
Mr. A V Dharmakrishnan	6	-	2	-	Rajapalayam Mills Limited	Non-Executive & Non-Independent
Mr. R S Agarwal	3	-	3	2 out of 3	The Ramco Cements Limited	Non-Executive & Independent
					Ramco Industries Limited	Non-Executive & Independent
					Suryalakshmi Cotton Mills Limited	Non-Executive & Independent
Mrs. Soundara Kumar	6	-	5	1 out of 5	Rajapalayam Mills Limited	Non-Executive & Independent
					Tamilnadu Newsprint & Papers Limited	Non-Executive & Independent
					Shanthi Gears Limited	Non-Executive & Independent
					Carborundum Universal Limited	Non-Executive & Independent
					Bank of Baroda	Non-Executive & Independent
Mr. Sankar Krishnan	1	-	1	-	Nil	Nil
Justice Mr. P P S Janarthana Raja (Retd.)	3	-	4	2 out of 4	Rajapalayam Mills Limited	Non-Executive & Independent
					The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

*Public Limited Companies, other than Ramco Systems Limited.

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



Corporate Governance Report (Contd.)

Disclosure of relationships between Directors inter-se

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

Appointment / Re-appointment of Directors

During the year, there were no appointment/re-appointment of Director except Mr. P R Venketrama Raja (DIN:00331406), Director who retired by rotation and got re-appointed and pursuant to the approval of the Board of Directors at their Meeting held on May 19, 2022, Members of the Company at the AGM held on August 10, 2022 had re-appointed Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel under Sec.203 of the Act in the position of Manager with the designation as Whole Time Director for a period of 2 years commencing from June 04, 2022 to June 03, 2024

Independent Directors and Familiarization Program

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

The Company had issued formal letters of appointment/re-appointment to its Independent Directors at the time of their appointment/ re-appointment. The terms and conditions of draft appointment letter are available at the Company's website,

at the following weblink: <https://f.hubspotusercontent20.net/hubfs/494075/independent-directors-terms-of-appointment.pdf>. The tenure of Independent Directors is in accordance with the Act and SEBI LODR.

In accordance with Schedule IV of the Act and Regulation 25 of SEBI LODR, Independent Directors met without the presence of Non-Independent Directors and Members of the Management on February 01, 2023 and all the Independent Directors were present at the Meeting. Amongst other matters, in the Meeting, they have reviewed/discussed about the performance of the Company, flow of information to the Board, performance of Non-Independent Directors, Board as a whole and performance of the Whole Time Director including the Chairman after taking views of Executive and Independent Directors.

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

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

Directors' Tenure

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

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

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

Corporate Governance Report (Contd.)



MEETINGS OF THE BOARD

The Board met six times during the FY 2022-23 viz., May 19, 2022, June 03, 2022, July 26, 2022, November 07, 2022, December 22, 2022 and February 01, 2023. The Company held at least one Board Meeting in every quarter. The maximum time gap between any of the two consecutive Meetings was not more than one hundred and twenty (120) days. The necessary quorum was present for all the Board Meetings.

Board Procedure

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

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

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

The Board of Directors periodically reviews Compliance Reports pertaining to all laws applicable to the Company. The Minutes of the Meetings of the Board of Directors of the unlisted subsidiary are being placed before the Board of Directors of the Company. Updates on subsidiaries are also placed before the Board on a quarterly basis. The Audit Committee of the Board reviews periodically the Financial Statements/ other allied matters of the subsidiaries.

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

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

Meeting Schedule

The tentative schedule of the Board and Committee Meetings are decided in advance and informed to the Directors. Generally, the Board and Committee Meetings are held at Chennai, where the Corporate Office of the Company is situated. At times, it may also be convened in the registered office/other place depending on the convenience. The Meetings during the year were held mainly through video conferencing, to enable Directors to join the Meetings remotely, in case they were not able attend physically.



BOARD COMMITTEES

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

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

Audit Committee

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

The Committee met five times during the FY 2022-23 on May 19, 2022, July 26, 2022, November 07, 2022, December 22, 2022 and February 01, 2023. The maximum time gap between any of the two consecutive Meetings was not more



Corporate Governance Report (Contd.)

than one hundred and twenty (120) days. The necessary quorum was present in all the Meetings. The composition of the Audit Committee, Meetings held and attendance of the Members are given below:

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

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

All the Members of the Committee are financially literate and possess accounting and related financial management expertise. The Audit Committee holds discussions with Statutory Auditors without the presence of management as and when required. Mrs. Soundara Kumar, Chairperson of the Audit Committee was present at the last Annual General Meeting ("AGM") held on August 10, 2022.

Stakeholders Relationship Committee

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

The Committee met two times during the FY 2022-23 on February 01, 2023 and March 22, 2023. The necessary quorum was present in all the Meetings. The composition of Stakeholders Relationship Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. P R Venketrama Raja	Chairman, Non-Executive & Non-Independent Director, Promoter	2	1
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	2	2
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/ Executive & Non- Independent Director	2	2
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	2	2

The Chief Financial Officer is an invitee to all Meetings of the Stakeholders Relationship Committee. The Company Secretary is the Secretary to the Committee. Mr. P R Venketrama Raja, Chairman of the Stakeholders Relationship Committee was present at the last AGM held on August 10, 2022.

During the year, one Complaint was received from a Member and the same was resolved to the satisfaction of Member. As on March 31, 2023, there were no outstanding complaints pending to be resolved. The quarterly statements on Investor Complaints received and disposed of are filed with Stock Exchanges within 21 days from the end of each quarter/uploaded on the Company website, at the following weblink: <https://www.ramco.com/investor-relations/corporate-governance/statement-of-investor-complaints/> and the statement filed/uploaded is also placed before the subsequent Meeting of Board of Directors. Grievances received from investors and other miscellaneous correspondence/ mandates, etc. are processed by the Registrar and Share Transfer Agent M/s. Cameo Corporate Services Limited immediately after due verification.

Corporate Governance Report (Contd.)

In accordance with SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company has opened a Suspense Escrow demat account during the financial year and processed for transferring the shares of Members who have not claimed the shares within 120 days of Letter of Confirmation sent to securities holders/claimant.

Nomination and Remuneration Committee

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

the Directors, Key Managerial Personnel and other employees. The Board of Directors have approved a Nomination and Remuneration Policy for the Company. The said Policy is available at the Company's website, at the following weblink: <https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Nomination%20and%20Remuneration%20Policy/ramco-nomination-and-remuneration-policy.pdf> .

In accordance with Regulation 5(2) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company had designated the Nomination and Remuneration Committee as Compensation Committee for the purpose of Administration and Superintendence of the Company's Employee Stock Option Schemes, both present and future.

The Committee met four times during the FY 2022-23 on April 29, 2022, June 03, 2022, September 21, 2022 and February 01, 2023. The necessary quorum was present in all the Meetings. The composition of Nomination and Remuneration Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	4	4
Mr. Sankar Krishnan	Member, Non-Executive & Non-Independent Director	4	4
Justice Mr. P P S Janarthana Raja (Retd.)	Member, Non-Executive & Independent Director	4	4

The Committee also administers the Company's Employees Stock Option Schemes. No options were exercisable by any Non-Executive Directors except the allotment of 17,500 shares pursuant to exercise of 17,500 stock options by Mr. A V Dharmakrishnan, Non-Executive & Non-Independent Director. The details of shares held by Directors of the Company as on March 31, 2023 are given in this report in page no.67.

All the Members of the Committee are Non-Executive Directors. The Company Secretary is the Secretary to the Committee. Mr. M M Venkatachalam, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 10, 2022.

Evaluation Criteria

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

The key areas of evaluation of individual Directors, including Independent Directors are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern for stakeholders, Attentive to the internal control mechanism and Ethical conduct issues.

Remuneration to Directors

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

The Members of the Company at the AGM held on August 10, 2022 had appointed Mr. P V Abinav Ramasubramaniam Raja as Whole Time Director for a period of 2 years with effect from June 04, 2022. The remuneration structure of Whole Time



Corporate Governance Report (Contd.)

Director comprises of fixed monthly remuneration in the form of Commission and fees for professional services / sitting fees for attending the Meetings and other benefits. The remuneration is determined considering various factors such as qualification, expertise, roles, functions, responsibilities, prevailing remuneration in the industry, his position in the other Companies and the financial position of the Company.

(i) Remuneration paid to Non-Executive Directors during the FY 2022-23 are as follows:

Name of the Director	Board Meeting	Committee Meeting	In Rs.
			Total
Mr. P R Venketrama Raja	180,000	-	180,000
Mr. A V Dharmakrishnan	180,000	150,000	330,000
Mr. M M Venkatachalam	180,000	180,000	360,000
Mr. R S Agarwal	180,000	180,000	360,000
Mrs. Soundara Kumar	150,000	150,000	300,000
Mr. Sankar Krishnan	180,000	150,000	330,000
Justice Mr. P P S Janarthana Raja (Retd.)	180,000	180,000	360,000

(ii) Remuneration paid to Executive Director during the FY 2022-23 are as follows:

Particulars of Remuneration	Name of Manager / WTD		In Rs.
	Mr. P V Abinav Ramasubramaniam Raja		
Salary*			1,320,000
Retirement benefits			-
Bonuses			-
Stock Options			-
Performance Linked incentives			-
Sitting Fees			180,000
Total			1,500,000

*Represents: Fixed monthly remuneration in the form of:

- commission from April 01, 2022 to June 03, 2022 and
- fees for professional services from June 04, 2022 to March 31, 2023.

Note: Mr. P V Abinav Ramasubramaniam Raja is the Managing Director of Ramco Industries Limited from June 4, 2017. His aggregate remuneration drawn from both the Companies is subject to the higher of 5% of the net profits of the Company or Ramco Industries Limited. He drew a remuneration of Rs.5,15,70,993/- (from April 01, 2022 to March 31, 2023) Ramco Industries Limited.

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

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

The details of remuneration paid to Directors and Key Managerial Personnel are given in Form MGT-7, which has been placed in the website of the Company and the weblink for the same has been disclosed in the Board's Report. The annual return uploaded on the website is a draft in nature and the final annual return shall be uploaded at the same link on the Company's website once the same is filed with Ministry of Corporate Affairs after the AGM. There are no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company, other than fees being paid for attending Meetings.

Corporate Social Responsibility Committee

The Committee constitution, powers, role and terms of reference are in accordance with Section 135 of the Act. The Committee met one time during the FY 2022-23 on May 19, 2022. The necessary quorum was present at the Meeting. The composition of Corporate Social Responsibility Committee, Meeting held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. P R Venketrama Raja	Chairman, Non-Executive & Non-Independent Director, Promoter	1	1
Mr. A V Dharmakrishnan	Member, Non-Executive & Non-Independent Director	1	1
Mr. M M Venkatachalam	Member, Non-Executive & Independent Director	1	1

Corporate Governance Report (Contd.)

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

Mr. P R Venketrama Raja, Chairman of the Corporate Social Responsibility Committee was present at the last AGM held on August 10, 2022.

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

Allotment Committee

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

The Committee met three times during the FY 2022-23 on June 03, 2022, November 02, 2022 and January 20, 2023. The necessary quorum was present in all the Meetings. The composition of the Committee, Meetings held and attendance of the Members are given below:

Composition	Category	Number of Meetings	
		Held	Attended
Mr. M M Venkatachalam	Chairman, Non-Executive & Independent Director	3	3
Mr. P R Venketrama Raja	Member, Non-Executive & Non-Independent Director, Promoter	3	2
Mr. P V Abinav Ramasubramaniam Raja	Member, Whole Time Director/Executive & Non-Independent Director	3	2

The Chief Financial Officer is an invitee to all Meetings of Allotment Committee. The Company Secretary is the Secretary to the Committee. During the year, 34,274 shares were allotted by the Committee to eligible employees/option grantees of the Company and its subsidiaries pursuant to exercise of Stock options.

Further, the Board in its Meeting held on December 22, 2022, had approved Preferential Issue of equity shares and warrants convertible into equity shares at a price of Rs.274/- per share, with an issue size of Rs.160 cr. The Members approved the same through Postal Ballot on January 21, 2023. The Board had allotted 43,79,561 equity shares on February 01, 2023 of which 16,42,335 equity shares to Promoter Group. Further 14,59,854 Fully Convertible Equity Warrants to Promoter on February 01, 2023 and the details on the same are given in the Board's Report.

Risk Management Committee

The Committee constitution, powers, roles and terms of reference are in accordance with Regulation 21(5) of SEBI LODR read with SEBI vide its notification dated May 05, 2021.

The roles and responsibilities of the Committee includes the performance or functions specified in Part D of Schedule II of SEBI LODR. The Committee discharges the functions as envisaged for it by the Act, SEBI LODR and functions as mandated by the Board from time to time. The Committee's primary terms of reference inter-alia include to formulate a detailed risk management policy, to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems etc. The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The Committee met two times during the FY 2022-23 on September 21, 2022 and March 09, 2023. The necessary quorum was present in all the Meetings. The composition of the Committee, Meetings held and attendance of the Members are given below:

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



Corporate Governance Report (Contd.)

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

Fund Raising Committee

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



GENERAL BODY MEETINGS

Annual General Meetings

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

Month/ Date/Year	Time	Location	Special Resolution Passed
August 10, 2022	3:00 p.m.	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	<ol style="list-style-type: none"> 1. Re-appointment of Mr. P V Abinav Ramasubramaniam Raja as a whole time key managerial personnel in the position Manager with the designation as Whole Time Director for term of 2 years 2. Approved the Employee Stock Option Scheme – 2022 3. Approved the grant of Stock Options to the employees of Group Company(ies) including its Subsidiary Company(ies) or its Associate Company(ies) in India and outside India of the Company under Employee Stock Option Scheme - 2022
August 19, 2021	3:00 p.m.	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	No Special Resolution was passed
September 07, 2020	3:00 p.m.	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	No Special Resolution was passed

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

Extra Ordinary General Meetings (EGM)

No EGMs were held during the last three years.

Postal Ballot

The following special resolutions were passed through postal ballot during the FY 2022-23.

1. Issue of 14,59,854 Fully Convertible Equity Warrants on Preferential basis to the Promoter of the Company
2. Issue of 43,79,561 Equity Shares on Preferential basis to the persons belonging to Promoter and Non-Promoter category

Mr. K.Srinivasan, Chartered Accountant (Membership No: 21510), Partner, M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants was appointed as the Scrutinizer ("Scrutinizer") for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

Resolution No.	Votes Cast Favour			Votes Cast Against		
	No. of Electronic Ballots voted	No. of Votes	Percentage of Votes	No. of Electronic Ballots voted	No. of Votes	Percentage of Votes
1	128	1,99,10,609	99.9799%	17	4,011	0.0201%
2	131	1,99,10,459	99.9791%	14	4,161	0.0209%

None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution through postal ballot. No Special Resolution is proposed to be passed through Postal Ballot.

Corporate Governance Report (Contd.)



MEANS OF COMMUNICATION

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

Financial Results

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

Annual Report

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

Press & Media Release/Publication of Results

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

Means of Communication	Frequency
Press/Media Release	19 times
Earnings Call/Investors Meet	4 times
Publication of Results	4 times

Investors/Analysts Interactions

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

Stock Exchange Compliances

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

Dissemination

The Company has a policy on the Determination of Materiality for Disclosure of Events or Information. The said policy is

available on the Company's website. Dissemination of the information is based on the Policy.

Intimation on KYC Updation

In accordance with SEBI Circulars dated November 03, 2021, December 14, 2021 and January 25, 2022 regarding Common and Simplified Norms for processing Investor's Service request by RTA, Company has sent a communication through Registered Post with masking on March 14, 2022 to all the holders of physical shares. It is mandatory for holders of physical securities to furnish PAN, full KYC details like address proof, bank details, e-mail address, mobile number etc., and Nomination (for all the eligible folios).

SEBI vide its Circular no.SEBI/HO/MIRSD/ MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023, has informed that in case a holder of physical securities fails to furnish the PAN, KYC details and nomination before October 01, 2023, RTA is obligated to freeze such folios. SEBI also mandated the Listed companies and RTAs to disseminate the requirements of the said circular on their respective websites.

Further details on the same are provided in the Notice of 26th AGM and required disclosures were made available in the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>. Members are requested to avail the services as per the requirements.



MANDATORY & DISCRETIONARY REQUIRMENTS

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

Mandatory Requirements

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

Discretionary Requirements

Company has adopted following discretionary requirements of SEBI LODR:

- Separate posts of Chairman
The posts of the Chairman, Whole Time Director and COO of the Company are held by separate persons.
- Reporting of Internal Auditor
The Internal Auditor of the Company reports directly to the Audit Committee.
- Audit Opinion

The Company is already in the regime of Financial Statements with unmodified opinion.



Corporate Governance Report (Contd.)



MEMBERS INFORMATION

Corporate Identification Number	L72300TN1997PLC037550
Registration Number	18-37550 – Registered in the State of Tamil Nadu
Company Secretary & Compliance Officer	Mr. Vijayaraghavan N E No. 64, Sardar Patel Road, Taramani, Chennai – 600 113. Phone: +91 44 2235 5558 Fax: +91 44 2235 5078 E-mail: investorrelations@ramco.com
Listing on Stock Exchanges	BSE Limited, PJ Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
International Securities Identification Numbers (ISINs)	
For Equity Shares	INE246B01019
For Warrants	INE246B13014
Stock Code	BSE – 532370 NSE – RAMCOSYS
Securities suspended from trading	No
Annual Listing Fees	Listing fees for the FY 2023-24 have been paid to the BSE and NSE.
Annual Custody Fee and Annual Issuer Fee	Custodial Fee / Issuer Fee for the FY 2023-24 have been paid by the Company to NSDL and CDSL.
Designated Depository	CDSL has been appointed by the Company – for monitoring the Foreign Investment limits.
Financial Year	April 01 to March 31
Annual General Meeting 2023	At 03.00 p.m. on August 10, 2023 through Video Conference / Other Audio Visual Means.
Annual General Meeting 2024	Tentatively in July/August, 2024
Financial Reporting 2023-24-quarter ending	Tentatively
June 30	between end of July 2023 and August 14, 2023
September 30	between end of October 2023 and November 14, 2023
December 31	between end of January 2024 and February 14, 2024
March 31	between end of April 2024 and May 2024
Outstanding GDR/ADR receipts or warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not raised any funds by way of GDR/ADR. During the year, 1,459,854 Warrants were issued to Mr. P R Venketrama Raja, Chairman / Non-Executive & Non-Independent Director, Promoter and are being held as on March 31, 2023. These Warrants have to be compulsorily converted into equity shares on or before July 25, 2024. If all the Warrants were converted, the number of issued and paid-up shares would go up by 1,459,854.
Commodity price risks and commodity hedging activities	Nil. Since the Company is not dealing in any commodities.
Global Presence/Plant Location/R&D Centre	Given in page no.1 and in the last page of this Annual Report.
Credit Rating	Disclosed in the Board's Report.
Correspondence Details of Company & RTA	The Company address for Investor correspondence is provided in the 3rd row of this table and details of RTA are given below: M/s. Cameo Corporate Services Limited (Unit: Ramco Systems Limited) 'Subramanian Building,' No.1, Club House Road, Chennai – 600 002. Phone: +91 44 2846 0390 (5 lines) Fax: +91 44 2846 0129

Corporate Governance Report (Contd.)

Market Price Data

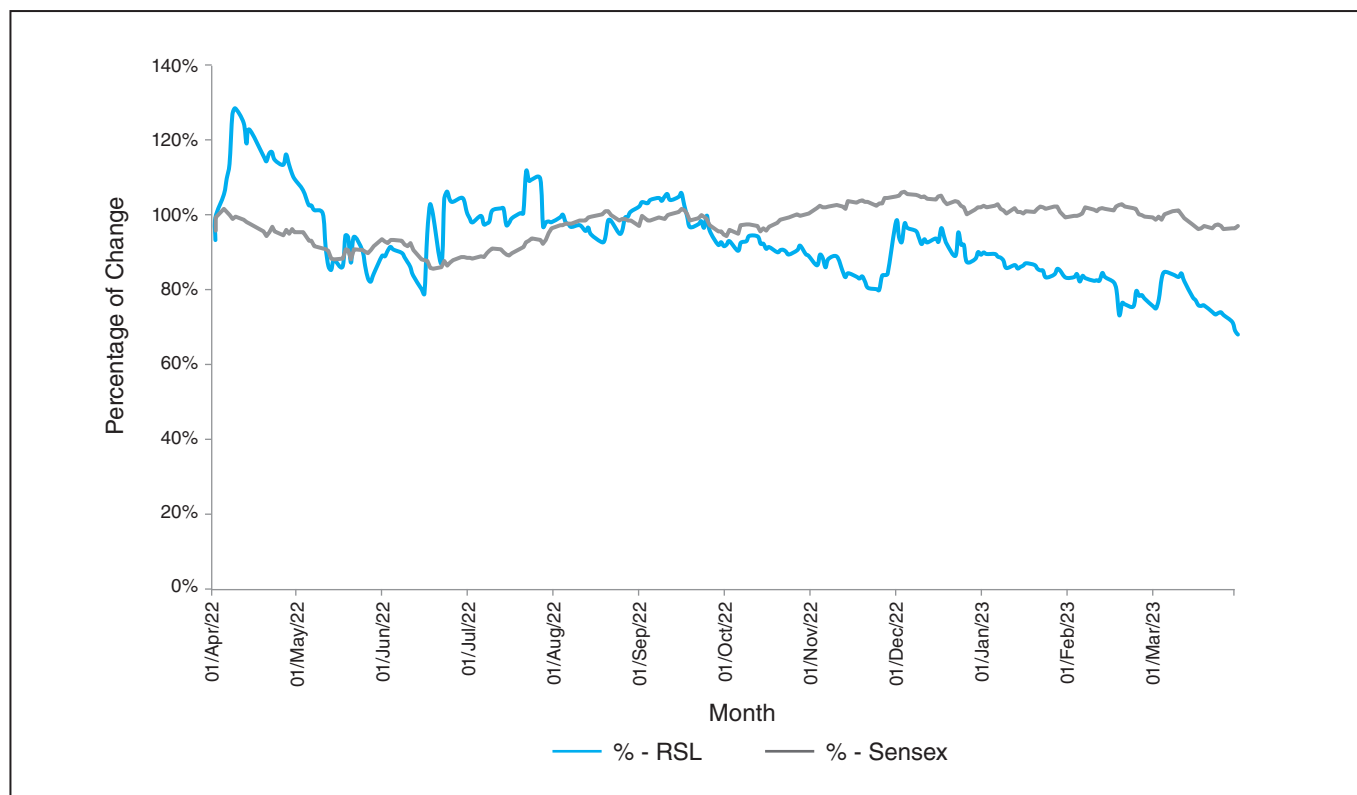
The Company's monthly high and low share price data as well as the total turnover during each month in the FY 2022-23 on the BSE and NSE are as mentioned below:

Month	BSE			BSE Sensex		NSE			NSE Nifty	
	Share Price (Rs.)		Volume Traded	High	Low	Share Price (Rs.)		Volume Traded	High	Low
	High	Low				High	Low			
Apr-22	374.45	266.55	472,882	60,845.10	56,009.07	375.00	265.00	3,586,808	18,114.65	16,824.70
May-22	308.00	223.10	375,589	57,184.21	52,632.48	307.95	222.55	2,321,084	17,132.85	15,735.75
Jun-22	313.05	221.55	469,945	56,432.65	50,921.22	312.90	222.95	8,526,798	16,793.85	15,183.40
Jul-22	336.85	268.05	439,691	57,619.27	52,094.25	336.20	268.50	5,518,041	17,172.80	15,511.05
Aug-22	297.35	259.45	300,176	60,411.20	57,367.47	298.00	259.30	2,107,490	17,992.20	17,154.80
Sep-22	310.90	257.10	617,480	60,676.12	56,147.23	313.20	257.00	2,428,400	18,096.15	16,747.70
Oct-22	272.00	244.35	133,408	60,786.70	56,683.40	272.10	244.00	931,023	18,022.80	16,855.55
Nov-22	283.55	225.50	201,155	63,303.01	60,425.47	283.45	225.40	2,602,782	18,816.05	17,959.20
Dec-22	286.00	239.05	227,064	63,583.07	59,754.10	286.90	246.40	2,333,842	18,887.60	17,774.25
Jan-23	264.50	233.50	94,377	61,343.96	58,699.20	264.80	234.50	1,192,464	18,251.95	17,405.55
Feb-23	248.00	206.90	162,860	61,682.25	58,795.97	248.80	207.50	2,089,265	18,134.75	17,255.20
Mar-23	245.10	188.50	187,320	60,498.48	57,084.91	245.40	188.60	2,393,897	17,799.95	16,828.35

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

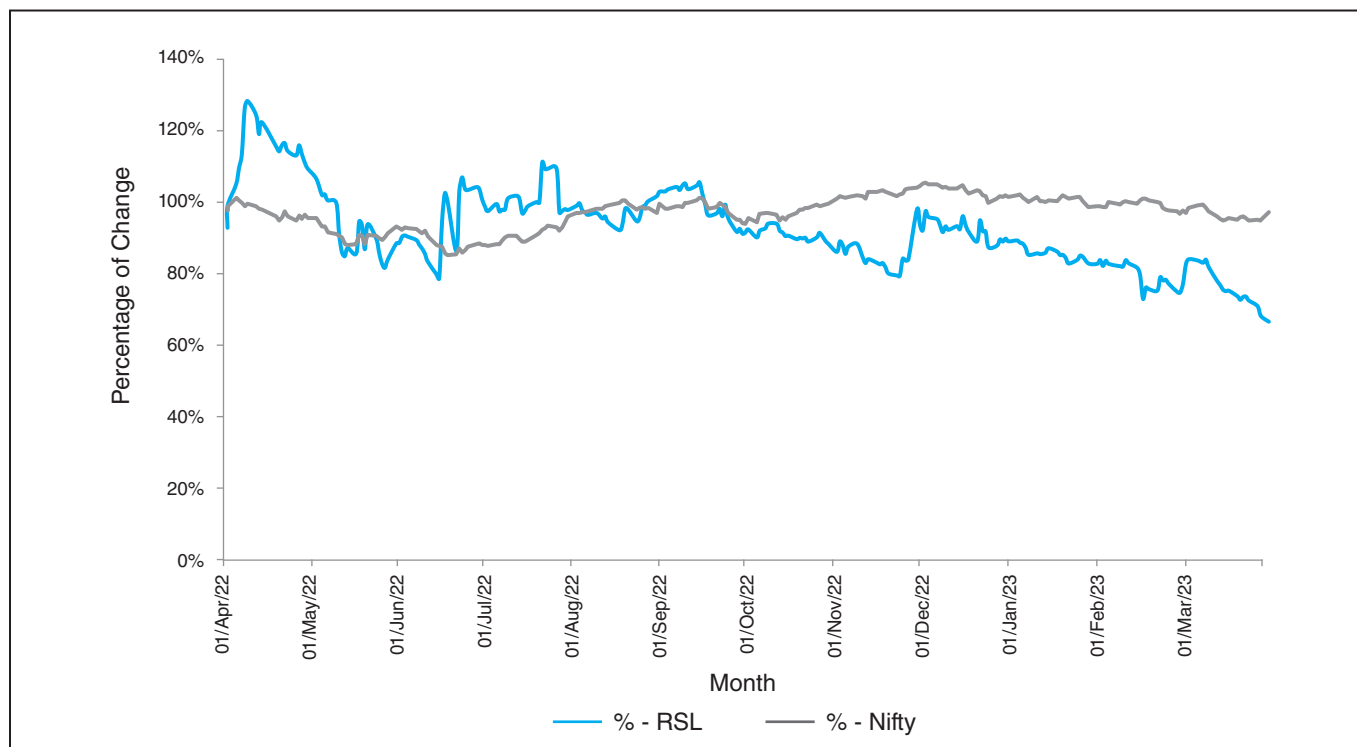
Performance in comparison to broad-based indices

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



Corporate Governance Report (Contd.)

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



Distribution of Shareholding

The Distribution of Shareholding of the Company as at March 31, 2023 is as follows:

Sl. No.	Holding range	Number of Members	% of total	Shares	% of total
1.	Between 1 and 500	39,044	93.25	2,984,631	8.47
2.	Between 501 and 1,000	1,439	3.44	1,093,774	3.10
3.	Between 1,001 and 2,000	683	1.63	1,006,776	2.86
4.	Between 2,001 and 3,000	243	0.58	613,229	1.74
5.	Between 3,001 and 4,000	113	0.27	405,825	1.15
6.	Between 4,001 and 5,000	98	0.23	460,738	1.31
7.	Between 5,001 and 10,000	122	0.29	879,816	2.50
8.	More than 10,000	129	0.31	27,782,967	78.87
	Total	41,871	100.00	35,227,756	100.00

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

Shareholding Pattern

Sl. No.	Category	Number of Members	Number of Shares Held	% held
1.	Promoter & Promoter Group	16	18,367,184	52.14
2.	Public	40,882	16,860,572	47.86
3.	Non-Promoter – Non-Public	-	-	-
4.	Shares underlying DRs and held by Employee Trust	-	-	-
	Total	40,898	35,227,756	100.00

Note: The above report is based on Permanent Account Number. Detailed Shareholding Pattern is provided in Form MGT-7, which has been placed in the website of the Company and the weblink for the same has been disclosed in the Board's Report.

Corporate Governance Report (Contd.)

Share Transfer

M/s. Cameo Corporate Services Limited is the Company's Registrar and Share Transfer Agent ("RTA") for carrying out share related activities. Transfer of shares in electronic form are processed and approved by NSDL and CDSL through their Depository Participant ("DP") without the involvement of the Company.

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only after processing the request received in prescribed form ISR 4 (available on the Company's website, at the following weblink: <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>) for issue of Duplicate securities certificate; Transmission; Transposition, Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios etc., by issuing a Letter of Confirmation (LOC) to the concerned Member(s) for submission to their respective DP within 120 days from the date of issue of LOC for dematerialisation of shares. For cases where the Member failed to submit the LOC to their DP within the aforesaid period, the RTA has credited the shares to Suspense Escrow Demat Account of the Company. Accordingly, 157 shares of Rs.10 each has been credited to Suspense Escrow Demat Account in April 2023. It may be noted that any service request can be processed only after the folio is KYC compliant.

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

Dematerialization of Shares

99.70% of the Company's paid-up Equity Share Capital has been dematerialized as on March 31, 2023. Trading in Equity Shares of the Company is permitted only in dematerialized form. Details as of March 31, 2023 are as follows:

Mode of Holding	Number of Holders	Number of Shares	% of shares
NSDL	15,570	24,500,811	69.55
CDSL	26,067	10,621,834	30.15
Total Demat holding	41,637	35,122,645	99.70
Physical	234	105,111	0.30

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

Reconciliation of Share Capital

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

Liquidity

Company's Equity Shares are actively traded on both NSE and BSE. Trading activity of the Company's equity shares witnessed a decline during the FY 2022-23 (39,713,841 shares) as compared to FY 2021-22 (49,912,002 shares).



BOARD & GOVERNANCE RELATED

Code for Insider Trading

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

Code for Fair Disclosure

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

Corporate Governance Certificate

A certificate from Practicing Company Secretary M/s. S.Krishnamurthy & Co., Company Secretaries, confirming compliance with conditions of Corporate Governance as



Corporate Governance Report (Contd.)

stipulated under SEBI LODR and a certificate from them confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority are forming part of this Annual Report.

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

Compliance

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

Whistle Blower Policy & Vigil Mechanism

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

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



OTHER DISCLOSURES

Compliance Requirements	Compliance Status
Related Party Transaction ("RPT") Policy weblink	https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Related%20Party%20Transaction%20Policy/ramco-related-party-transaction-policy.pdf
Materially Significant Related Party Transaction (RPT) during the year	No such RPT made by the Company that may have potential conflict with the interests of the Company at large.
Material subsidiary Policy weblink	https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Material%20Subsidiary%20Policy/ramco-material-subsidiary-policy.pdf
Details of Material subsidiary	<ol style="list-style-type: none"> Ramco Systems Corporation, USA Incorporated on: October 01, 1992 Incorporated in: California, USA Name of Statutory Auditor: CNGSN & Associates LLP, Chartered Accountants Date of his appointment: July 18, 2003 Ramco Systems Australia Pty Limited, Incorporated on: August 12, 2012 Incorporated in: Victoria, Australia Name of Statutory Auditor: Morris Cohen Glen & Co. Date of his appointment: April 01, 2013
Dividend Distribution Policy weblink	https://www.ramco.com/hubfs/494075/PDF%20Download%20URL/Dividend%20Distribution%20Policy/DIVIDEND-DISTRIBUTION-POLICY.pdf
Foreign Exchange Risk	Refer the Note no.30 of the standalone financials in page no.189.
Details of Utilization of Funds	<p>The Company had raised Rs.130 cr. through preferential issue of equity shares and warrants during the year and utilized Rs.67.50 cr. towards objects of the issue, leaving a balance of Rs.56.50 cr. as on March 31, 2023. For details, refer page no.32 & 193 of this Annual Report. There were no deviations in the use of proceeds from the objects.</p> <p>The Company did not raise any funds through Qualified Institutions Placement.</p>
Recommendation of the Committees of the Board	All are accepted by the Board.
Sexual Harassment related disclosures	There were no complaints received during the year and no complaints were outstanding at the end of the year. Refer Board's Report for related disclosures in page no.37.

Corporate Governance Report (Contd.)

Compliance Requirements	Compliance Status
Loans and Advances to firms/companies in which Directors are interested	There are no loans and advances given to firms/companies in which Directors are interested. For loans and advances to others, refer Note no.9.1 of the standalone financials in page no.160.
Statutory Auditors Fees	The total fee paid by the Company during the FY 2022-23 is Rs.3.11 Mln. Refer Note no.23.2 of the standalone financials in page no.179.
SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a Centralized web-based complaints redress system. Actions taken on the complaints and their current status are updated electronically in the SEBI SCORES system.
Unclaimed Suspense Account	Nil – Number of shares were lying in the Company unclaimed suspense account at the beginning & at the end of the year.



DISCLOSURES AND AFFIRMATIONS

CEO/CFO Certification

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

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

Code of Conduct

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

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

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

Directors & Senior Management Personnel

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

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



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

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended March 31, 2023.

For **RAMCO SYSTEMS LIMITED**

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

Place: Chennai

Date : May 17, 2023

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

The Board of Directors

Ramco Systems Limited

We, P V Abinav Ramasubramaniam Raja, Whole Time Director and R Ravi Kula Chandran, Chief Financial Officer, do hereby affirm the following, pursuant to provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to the financial reporting during the year ended March 31, 2023;

1. We have reviewed the standalone and consolidated Financial Statements and the Cash Flow Statement for the year ended March 31, 2023 and that to our best of knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading; and these statements together, present a true and fair value of the Company's Affairs and are in compliance with the existing accounting standards, applicable Laws and Regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to such financial reporting and we have disclosed to the Auditors' and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and steps we have taken or steps proposed to rectify these deficiencies.
4. There were no instances on account of following, during the year ended March 31, 2023, which were required to be indicated to the Auditors' and the Audit Committee of the Company:
 - a. Significant changes, if any, in the internal control over the financial reporting.
 - b. Significant changes in the accounting policies during the year.
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **RAMCO SYSTEMS LIMITED**

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

Place : Chennai

Date : May 17, 2023

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

To

The Members

Ramco Systems Limited

[CIN: L72300TN1997PLC037550]

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

We have examined the compliance of the conditions of Corporate Governance by **RAMCO SYSTEMS LIMITED** (“the Company”) during the **financial year ended 31st March 2023**, as stipulated under the following Regulations/ Schedule of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”):

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

The Company was required to comply with the said conditions of Corporate Governance on account of the Listing Agreements entered into with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for listing its equity shares pursuant to Regulation 15(1).

Management’s responsibility

The Company’s management is responsible for compliance with the conditions of corporate governance, maintenance of relevant records and making the prescribed statutory/ regulatory disclosures/ filings.

Our responsibility

Our responsibility is to broadly review the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.



We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, during the year ended 31st March 2023, complied with the applicable conditions of Corporate Governance.

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

For S Krishnamurthy & Co.,

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

(Peer Review Certificate No. 739/2020)

K Sriram

Partner

Membership number: F6312

Certificate of Practice No:2215

UDIN: F006312E000322518

Date: 17th May 2023

Place: Chennai

CERTIFICATE ON DISQUALIFICATION OF DIRECTORS

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

To
The Members
Ramco Systems Limited
[CIN: L72300TN1997PLC037550]
47, P.S.K Nagar, Rajapalayam – 626 108.

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of **RAMCO SYSTEMS LIMITED** (“the Company”) as on 31st March 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

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

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

- Information relating to the directors available in the official web site of MCA;
- Disclosures / declarations / confirmations provided by the said directors to the Company;
- Registers, records, forms and returns filed/ maintained by the Company; and
- Information, explanation and representations provided by the Company, its officers and agents.

Management's responsibility

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company.

Our responsibility

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For S Krishnamurthy & Co.,

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

(Peer Review Certificate No.739/2020)

K Sriram

Partner

Membership number: F6312

Certificate of Practice No:2215

UDIN: F006312E000322738

Date: 17th May 2023

Place: Chennai

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Ramco Systems Limited is a fast-growing enterprise software company that provides innovative enterprise solutions. Our solutions help clientele across the world transform their processes and excel on all fronts. We offer the world's most comprehensive and modern, cloud-ready applications and a technology footprint that addresses their complex IT and business requirements. Our solutions are built on an

agile and adaptive architecture, embedded with innovation for faster business outcomes.

Over the years, we have garnered a reputable name by disrupting the market with our multi-tenant cloud and mobile-based enterprise software in the area of Global Payroll, ERP, Logistics and M&E MRO for Aviation with innovation and culture being at the core of our service delivery. Our key differentiator is our flexible and modern approach to develop products through revolutionary enterprise application assembly and delivery platform - Ramco VirtualWorks®.

Encompassing a suite of facilities for clients:

- Helping organizations re-imagine an intelligent enterprise
- Modernizing applications and platforms
- Delivering superior customer experiences



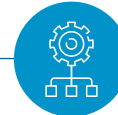
With Services Including:

- Experience Design
- Agile Delivery Transformation, and Organizational Agility



for verticals worldwide:

- Aviation, Aerospace & Defense
- Manufacturing,
- Real Estate & Construction,
- Asset Management & Equipment Rental
- Ports & Logistics,
- Cement & Allied Industries,
- Facilities Management Staffing and Professional Services



Industry Trends and Developments

Digitization and technology solutions are helping change the way companies operate. Accordingly, there is a massive change in the operational ecosystem of organizations. Companies are increasing their spending to create an entirely new experience that integrates with the client's needs and helps them grow at an exponential rate.

Companies are now proactively identifying client demands and utilizing technologies that enable hyper-personalization through real-time insights and data analytics driven learning systems in order to create an integrated digital experience. Adoption of uniform data models, process integration, and cloud migration give opportunities to transform data into insight that supports growth and transformation.

Organizations are increasingly leveraging technologies like Artificial Intelligence (AI), Machine Learning (ML), cloud computing, and Internet-of-Things (IoT) among others for:

- Automating repetitive tasks
- Adapting to the new trends
- Mitigating challenges
- Reducing labour needs
- Greater flexibility



Driving Enterprise-Wide Business Transformation

- Empowering businesses with cost benefits
- Enhancing automation and accuracy in decision-making
- Intuitive user interactions



The importance of technology in our lives has become more significant after the Covid-19 pandemic. We observed a rising demand for digital technology solutions as digitalization played an instrumental role in keeping global societies functional in the time of lockdowns and quarantines. Organizations have realized the importance of digital readiness, which helps companies grow and adapt to the emerging trends.

Companies have revised their strategy and considered new methods of doing business. Their resilience coupled with agile digital solutions will provide them with the necessary competitive advantage. Digital infrastructure has replaced the physical workplace in a major way, enabling leaders

Through Innovation and Culture

- Zero UI
- AI and ML
- Frictionless Computing
- Event-driven notifications
- Universal personalization engine (UPE)



to build a more productive and balanced workforce. While economic headwinds seem to be gathering for business in general, there are many regulatory incentives that may spur innovation and growth in 2023 and in the years ahead.

AI is gradually becoming a key strategic differentiator for enterprises. A report from PWC states that 94% of organizations now believe that AI will help create more opportunities and enterprises are now more aware than earlier that AI has become a 'must-have' for most companies.

(Source: <https://www.pwc.in/assets/pdfs/data-and-analytics/ai-an-opportunity-amidst-a-crisis.pdf>)

How AI transforms businesses across the globe

Driving Changes

Efficiency

Flexibility

Controlled IT Costs

Scalability

Increased Capabilities

Facilitating

Automation facilitating a smooth flow of operations

Ability to effectively scale systems

Eliminating over-buy and over-provision IT resources

Increased productivity and creating value

Quick response to business opportunities and challenges



As a matter of fact, cloud is also helping deliver top business requirements along with faster time to market. More users wish to adopt Infrastructure as a Service (IaaS), Software as a Service (SaaS), and Platform as a Service (PaaS).

Ramco Systems Limited facilitates transformation in organizations by being a next-gen enterprise software player disrupting the market with its multi-tenant cloud and mobile-based enterprise software in HR and Global Payroll, ERP and M&E MRO for Aviation.

Leveraging the advantages and experience gained from being a part of the USD 1 Bln Ramco Group, Ramco Systems Limited focuses on innovation and culture to differentiate itself in the marketplace.

Performance Review

Ramco Systems Limited is committed to empowering organizations to become more responsive, agile, collaborative, and insightful in what they do. Our solutions are architected to enable companies establish new business models, operate flexibly, respond proactively to market trends, create new business opportunities and accelerate growth.

FY 2022-23 has been an important year for Ramco Systems Limited. It has reinforced the strength of our core products, and the comprehensive and unique functionality that we have built across a product suite, including Global Payroll, Aviation and Defense sector as well as our core ERP suite.

We witnessed an uptick in the business after several quarters, reflecting in our strong and broad-based bookings, momentum across the businesses we focus on. We stay invested in our product, people and partnerships, and a platform to ensure continued momentum and our booking, bringing about greater predictability in our business to ensure initialization of best practices, all for driving greater enthusiasm amongst the employees, and enhancing our customer experience.

During the years, we provided a comprehensive suite of IT solutions delivering a compelling digital experience and digital engagement for various industries across the globe. Our customers rely on our solutions to modernize their technology platforms, accelerate digitization, and avail superior customer services.

Given below are our key businesses and their performance highlights:





Payroll platform

Ramco's robust and unified payroll platform, powered with emerging technologies such as RPA, artificial intelligence, machine learning, and advanced analytics, allows companies to automate payroll processing, assists in payroll outsourcing, and provides self-service payroll management tools for employees.

Highlights

- Helped organizations eliminate payroll glitches and introduced automation in processes
- Simplified employee-related processes for clients enabling them to embrace new ways of working
- Implemented a single standardized view of payroll across business for a client through modern technical innovations
- Positioned as a 'Technology Leader' in Quadrant Knowledge Solutions' SPARK Matrix: Multi-Country Payroll Platform 2022
- Positioned as a 'LEADER' in Everest Group's MCP Solutions PEAK Matrix® Assessment 2022 – APAC
- Awarded Best Payroll Software Supplier of the Year 2022 by The Global Payroll Association
- Bagged the HR Vendors of the Year 2022 Award For Best Payroll Software and Best Payroll Outsourcing Partner

Aviation, Aerospace and Defense

Through this segment, we help our clientele experience innovation-rich Aviation maintenance software built to address the demands of the dynamic aviation industry. We also help them deploy an all-inclusive M&E/MRO software to address all their business and regulatory requirements. From BOTS to drones, and Machine Learning, we offer best-in-class aviation maintenance software to face the challenges head-on.

Highlights

- Reported high levels of order booking owing to our investment to improvise deliverables in the segment
- Enabled Etihad Airways Engineering to enhance its digital MRO journey with Ramco Aviation Suite
- Partnered with Philippine Airlines, Inc. (PAL) to deploy Ramco's state-of-the-art Aviation Suite V5.9. The solution will replace standalone legacy systems thereby integrating, automating, and enhancing business performances across PAL and its affiliate PAL Express
- Signed a deal with Nova Systems, a global engineering services and technology solutions company for Aviation M&E MRO Suite
- Partnered with Brunei Shell Petroleum Co. Sdn. Bhd. (BSP) to provide full suite Aviation, Aerospace and Defense Software that will fully integrate and automate aviation operations at BSP
- Associated with Iraqi Airways, Iraq's national carrier and Middle East's second-oldest airline company, for complete digitalization of all core business processes in the Company





Logistics

Ramco offers end-to-end Digital Platform made especially for Logistics Service Providers with complete cloud-based system to provide an integrated business solution for a seamless movement of goods, automating invoicing, forecasting revenue and preventing revenue leakage.

Highlights

- Invested in a new leadership team that brings years of experience in Logistics, Warehousing, and Consulting to helm this business unit
- Invested in an experienced sales and pre-sales team to strengthen our product proliferation in the market
- Enhanced our solution that is built ground up as an end-to-end integrated business solution for 3PLs and Express Parcel providers
- Built standard product APIs to strengthen our integration capabilities which further enables seamless data flow across multiple third-party software with our solution
- Implemented a highly user-friendly command center that provides a bird's eye view of the entire warehouse operation which helps in making smart decisions and improving fulfillment rates

Enterprise Software

Ramco ERP enables clients to get a 360-degree view of business by putting all the business functions on one single platform in the Cloud and automating and integrating them end-to-end. With this unified view of business, it is simple to drive innovation across the value chain, improve efficiency, and reduce costs and time to market.

Highlights

- Adhered to the best practices and standards, making enterprise systems more efficient and futuristic
- Associated with Addison & Co. to provide a wide range of ERP solutions
- Focused selectively on target industries to align product development, marketing and sales efforts
- Infused latest technologies and substantiated the product with latest features based on advanced AI/ML, Automation and mobility
- Broadened our partner network to improve our reach in the regions of our focus
- Improvised our online presence and aligned it to our focus areas and regions



Industry Trends and Developments

Revenues by Geography

Our business team relentlessly built on the growth momentum to capitalize on the improvement in order booking and generating global revenue. 78% of revenues were driven by business in international markets.

Financial Performance

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (change of 25% or more as compared to the previous financial year) in sector-specific key financial ratios, as well as any changes in return on net worth. The following have been identified by the Company as key financial ratios, which are tracked only at the consolidated level.

Particulars	March 31, 2023	March 31, 2022
Interest Coverage Ratio	(21.15)	(12.53)
Current Ratio	1.38	1.91
Debt Equity Ratio	0.07	Nil
Operating Profit Margin	(42.81)%	(12.80)%
Net Profit Margin	(42.02)%	(13.81)%
Product Revenue to Total Revenue	42.42%	40.81%
Return on Net Worth	(38.80)%	(12.63)%
R&D Spend to Revenue	22.28%	13.75%
Days Sales Outstanding (DSO in nos.)	83	95

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

Operating Profit Margin (OPM):

The OPM for the year worked out to (42.81)% as against (12.80)% due to decrease in EBIT compared to the previous year.

Net Profit Margin (NPM):

The NPM for the year worked out to (42.02)% as against (13.81)% due to decrease in PAT compared to the previous year.

The decrease in the EBIT/PAT is analyzed below:

Particulars	Rs. Mln.
Decrease in Revenue	(388.79)
Decrease in Other Income	(37.66)
Increase in Purchase of Stock in Trade	(4.32)
Increase in Employee Cost Benefit	(456.83)
Increase in Depreciation and Amortisation Expense	(55.06)
Increase in Provision for Doubtful Debts	(65.14)
Increase in Other Expenses	(419.58)
Decrease in EBIT	(1,427.38)
Increase in Finance Costs	(45.42)
Lower Taxes	134.39
Decrease in Share of Profit of an Associate	(0.88)
Decrease in Non-Controlling Interests	4.48
Decrease in PAT Attributable to Members of the Company	(1,334.81)

Interest Coverage Ratio:

The finance costs have gone up to Rs. 99.61 Mln. during the current year from Rs.54.19 Mln. during the previous year.

- (i) The interest on loans and finance charges have increased to Rs. 45.78 Mln. during the current year compared to Rs. 2.08 Mln. during the previous year, on account of increase in average borrowings.
- (ii) The interest on lease liabilities have marginally gone up to Rs. 53.83 Mln. during the current year compared to Rs. 52.11 Mln. during the previous year.

At the same time, the earnings before interest and tax has significantly decreased from Rs. (678.88) Mln. in the previous year to Rs. (2,107.14) Mln. during the current year. The above had resulted in the change in interest coverage ratio from (12.53) for the previous year to (21.15) for the current year.

Debt Equity Ratio:

Out of the proceeds of Preferential Issue 2022, Rs. 675.00 Mln. of net borrowings were repaid during the year, leaving Rs. 380.00 Mln. as the outstanding borrowing as at the end of the current year, whereas there was no borrowing as at the end of the previous year. Hence the increase in the debt equity ratio from Nil to 0.07.

Current Ratio:

The Current Ratio has decreased by 27.75%, i.e., from 1.91 as at the end of the previous year to 1.38 as at the end of the current year. Significant increase in current liabilities by 45.87% driven by increase in unearned revenue and borrowings has led to the decline, inspite of increase in current assets by 5.25%.

Rs. in Mln.

Particulars	As at the end of the current year	As at the end of the previous year
CURRENT ASSETS		
Trade receivables	1,522.32	1,666.61
Other financial assets	521.98	748.65
Other current assets	1,310.39	1,404.90
Others	944.11	264.28
Total	4,298.80	4,084.44
CURRENT LIABILITIES		
Borrowings	380.00	-
Trade payables	691.92	692.47
Lease liabilities	134.43	112.99
Others	1,912.20	1,332.44
Total	3,118.55	2,137.90
CURRENT RATIO	1.38	1.91



Return on Net Worth:

The net loss has increased from Rs.733.59 Mln. to Rs.2,068.40 Mln. (refer PAT analysis given above) while equity attributable to equity holders of the parent has also decreased from Rs. 5,806.18 Mln. to Rs.5,331.42 Mln., resulting in decrease in return on net worth from (12.63) % during the previous year to (38.80) % for the current year.

Challenges

A major challenge for tech companies that may persist over the year is how to weather a potential economic slowdown by trimming costs, increasing efficiency, while striving to grow revenues. Additionally, many companies are looking for ways to remain innovative and build a strong competitive position for the future. With heightened global challenges, companies will now be required to mitigate risks and build more resilient systems.

Leaders across all organizations will have to think strategically about their choices of partners, where they're located, and how production takes place. Also, to sustain and grow, technology companies should focus their efforts to improving supply operations, modernizing infrastructure, and leveraging growth opportunities.

Outlook

With each passing day, we witnessed a continuous shift to the cloud and increased enterprise IT spending. Through our digital business initiatives, increased spending on enterprise applications, and infrastructure software, we managed to increase our order booking across all segments which favorably impacted other parameters, including revenue, margin, and employee motivation.

Our products are built using robust integrated technology platform and we constantly strive to bring in latest updates by incorporating the latest concepts and technologies. It allows us to completely modernize our offerings, while emphasizing on how technology can enhance end-user experience.

In our payroll division, we have been striving to ensure a simplified user experience through multiple features like Chatbots, Cognitive Process Automation and a robust deployment model available on Cloud, On-Premises, & as Managed Services. Our experienced team of professionals are in a constant endeavor to simplify HR strategy by automating traditional payroll transactions and driving business benefits across functions. With our payroll management software, we enable companies to focus on their people and not spend time navigating around systems. Accordingly, we have been redefining employee

experience through Ramco Global Cloud Payroll with Time & Attendance on ONE platform across the globe.




Through our Logistics ERP segment, we are able to digitalize third-party operations from Booking to Invoicing with an integrated logistics system designed for 3PLs. We provide a comprehensive digital platform that reduces the cost of operations, thereby improving efficiency, reducing revenue leakage, and enhancing visibility. Moreover,

investments in the segment are being made to optimize order booking and enhance performance.

At Ramco, we constantly look forward to bringing in new capabilities and perspectives to the team. We have onboarded visionary leaders in the Ramco family who come with years of regional and domain experience. Also, Oceania being a key growth market for us will get to witness a growth charter.

Risk Management

The Company's risk management system identifies and monitors the key risks and their impact on global operations. The Risk Management Committee reviews the risks, and their possible impacts, and the mitigation plan. Some of major risks, their impact and the mitigation plan include:

TYPE OF RISK		MITIGATION STRATEGY
 <p>CYBER RISK</p>	<p>Owing to the nature of its offerings, there is a risk of disruption or damage to the Company from any incidence involving compromise of data resulting in financial loss, reputational damage or legal claims.</p>	<p>The Company has implemented several cyber security controls to detect, prevent and remediate data breach threats. These often include compute, encryption, tiered storage, analytics, identity and access management, data protection, usage of VPN, event log management, notification, data management, and security policy enforcement services. These controls are continuously monitored by an expert team for their effectiveness.</p>
 <p>Changing Buyer Behavior</p>	<p>Technology is changing at a fast pace and it is moving from proprietary to opensource platforms. Such disruptive changes impact the industry dynamics and provide room to new demands and expectations of availing exceptional services.</p>	<p>Through assessment of industry changes, the Company keeps a watch on existing customer preferences, customer responses, technological advancements and competitive products in the industry to drive the suitable changes to its business strategy.</p>
 <p>Manpower</p>	<p>It is pertinent to note that human talent is the most important asset of the Company. The changing industry dynamics and demand for experienced employees has put pressure on retention of employees. Attrition creates shortage of critical skills, constrains delivering capacity and increases retention and replacement costs.</p>	<p>The Company tries to maintain a cordial relation with all the employees and also endeavors to create a professionally rewarding and enriching work environment. Our performance management and training systems help employee development and engagement. We undertake various initiatives to retain talent while also promoting new talent. The Company also invests in various employee well-being initiatives to maintain a good work-life balance.</p>



TYPE OF RISK

MITIGATION STRATEGY

 <p>Currency Volatility</p>	<p>A major portion of the Company's revenue is generated in foreign currencies, while majority of the Company's expenses are incurred in Indian Rupees. As such, exchange rate fluctuations can significantly impact the Company's revenues, operating results, cash flows and total assets which are reported in Indian Rupees.</p>	<p>The Company hedges the trade receivables in major currencies (USD, EUR, SGD, GBP and AUD) with the objective to minimize the volatility impact in realized exchange gain or loss.</p>
 <p>Competition</p>	<p>The Company faces competition from established global, as well as regional and local IT products and service providers. The Company also faces competition from new-age players who offer niche solutions</p>	<p>The Company offers a comprehensive suite of offerings across all its segments and innovative technologies such as cloud, Artificial Intelligence (AI) and Machine Learning (ML) enable the Company to upgrade its product offering to make them more competitive under the digital space. The Company invests in upgrading its suite of products on a continual basis to address the changing and growing technological needs of the market.</p>
 <p>Economic and Political Conditions</p>	<p>The Company faces various economic and political challenges in the jurisdictions it operates in. These include changes in the political environment, GDP growth, inflation, and major changes in economic policies & taxation, mobility constraints, etc. All these can affect business growth and pose a risk to the Company.</p>	<p>The Company strives to proactively avoid situations with political or other risks. The Company carefully assesses the local situation to minimize impact of such risks on its growth strategies as well as safety of its employees. The Company has a global team of functional experts which focusses on monitoring the mobility Regulations in various countries.</p>
 <p>Multi-Cultural Workforce</p>	<p>The Company's customer base is spread over 35+ countries. It therefore becomes essential to manage a multi-cultural workforce and deal with business dynamics across these countries. Exposure to local conditions including maintenance of work environment and adhering to local laws are the key factors which may impact the performance of the Company in each of such jurisdictions.</p>	<p>The Company's geographic spread offers it a natural hedge against economic slowdown affecting a region. The Company, through its local offices along with expert support of global advisors, aims to ensure compliance with the Laws of the land.</p>
 <p>Regulatory Compliances</p>	<p>The Company is a listed entity in India and has business presence across various countries. It also employs talent on-site for various project requirements. The Company complies with all the local Laws Regulations where it operates. Ever-changing Laws and increasing exposure under various statutes, local labor, tax, and immigration Laws, among others, are some of the regulations that add complexity to operating.</p>	<p>Regular monitoring of the local applicable statutes, and advisory support from the local professional consultants are some of the measures that the Company undertakes to ensure that it remains compliant in all jurisdictions. The Company's compliance team rigorously studies Laws, Rules and Regulations to ensure thorough compliance.</p>

The Board has constituted a Risk Management Committee. A detailed note on the attendance, composition of the Committee along with other details are provided in the Corporate Governance Report Section of this Annual Report.

Internal Control Systems

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

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

with the statutory auditors and approved by the Audit Committee. The Internal Auditors directly report to the Audit Committee. The internal audit reports are submitted / presented in the Audit Committee and discussed. The Audit Committee also obtains the views of the internal and statutory auditors to ascertain the adequacy of internal control systems. The statutory auditors have issued a report on the internal control over financial reporting (as defined in Section 143 of the Act). The Company had assessed the effectiveness of the internal control over financial reporting (in accordance with Regulation 17(8) of SEBI LODR) as of March 31, 2023. Based on its evaluation (in accordance with Section 177 of the Act and Regulation 18 of SEBI LODR), our Audit Committee has concluded that, as of March 31, 2023, our internal financial controls were adequate and operating effectively.





BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

1. Corporate Identity Number (CIN) of the Listed Entity	L72300TN1997PLC037550
2. Name of the Listed Entity	Ramco Systems Limited
3. Year of incorporation	19-02-1997
4. Registered office address	No. 47, P.S.K Nagar, Rajapalayam – 626 108
5. Corporate office address	No. 64, Sardar Patel Road, Taramani, Chennai 600 113
6. E-mail	investorrelations@ramco.com
7. Telephone	044 2235 4510
8. Website	www.ramco.com
9. Financial year for which reporting is being done	April 01, 2022 to March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Limited
11. Paid-up Capital	Rs. 35,26,31,450/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Vijayaraghavan NE, Company Secretary investorrelations@ramco.com 044-2235 4510
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Information and Communication	Computer programming, consultancy and related activities	100%



15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Writing, modifying, testing of computer program to meet the needs of a particular client excluding web page designing	62011	99.98%
2.	Providing software support and maintenance to the clients	62013	0.01%
3.	Data processing, hosting and related activities; Data processing activities including report writing	63111	0.01%

Note: Company is in the business of development and sale of Enterprise Resource Planning (ERP) software and providing related software services, including hosting and manage payroll services. The Company considers it as only one operating segment i.e Software Solutions & Services. However, the break up given above is only to facilitate inputting the data for the purpose of filing in XBRL format.

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
 National	NA	6	6
 International	NA	5	5

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	4
International (No. of Countries)	20*


*No of countries include locations where the Company has direct presence and presence through subsidiaries.

b. What is the contribution of exports as a % of the total turnover of the entity?	62.44%
c. A brief on types of customers	<p>Ramco empowers organizations to embrace digital transformation through its innovative enterprise solutions. Our customer base primarily consists of business-to-business (B2B) entities. We provide cloud and mobile-based enterprise software in the following space:</p> <ol style="list-style-type: none"> Global Payroll & HR Enterprise Resource Planning (ERP) to address the niche requirements for asset-heavy industries, Facilities Management and Logistics Service Providers (Maintenance & Engineering) (M&E) and Maintenance, Repair and Overhaul (MRO) for Aviation, catering to the specific requirements of Airlines, MROs, Defense, Heli operators, and major Urban Air Mobility companies (including Electric Vertical Take-off and Landing (eVTOL), Drones/Unmanned Aircraft Systems (UAS)

IV. Employees

18. Details as at the end of financial year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
 EMPLOYEES#						
1.	Permanent (D)	1912	1146	60%	766	40%
2.	Other than Permanent (E)	158	89	56%	69	44%
3.	Total employees (D + E)	2070	1235	60%	835	40%



S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)

**WORKERS**

4.	Permanent (F)		NIL			
5.	Other than Permanent (G)					
6.	Total workers(F + G)					

#Excluding KMPs

Note: Owing to the nature of our business model, we do not have worker category staff.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)

**DIFFERENTLY ABLED EMPLOYEES**

1.	Permanent (D)	1	1	100%	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	1	1	100%	0	-

**DIFFERENTLY ABLED WORKERS**




4.	Permanent (F)		Not Applicable			
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and % of Females	
		No. (B)	% (B / A)
 Board of Directors	8	1	12.5%
 Key Management Personnel	3	0	0%

Note: Mr.Abhinav Ramasubramaniam Raja, Whole Time Director, is included both under Board of Directors & Key Management Personnel category.

20. A) Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
 Permanent Employees (Including involuntary resignations)	36%	37%	36%	39.6%	38.1%	39%	25.3%	27.4%	26%
 Permanent Employees (Excluding involuntary resignations)	22%	24%	23%	33%	34%	33.5%	17%	17%	17%
 Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / Subsidiary/ Associate Companies/ Jointventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Ramco Systems Corporation 100 Overlook Center, Suite 2008, 2nd Floor, Princeton, NJ - 08540, USA	Subsidiary	98%	No
2.	Ramco Systems Ltd. Dorfplatz 3, CH- 4418, Reigoldswil, Switzerland	Subsidiary	100%	No
3.	Ramco Systems Pte. Ltd. 79 Anson Road, #15-04/05, Singapore - 079906	Subsidiary	100%	No
4.	Ramco Systems Sdn. Bhd. 3B-5-3, Block 3B, Level 5 Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur – 50470, Malaysia	Subsidiary	100%	No
5.	RSL Enterprise Solutions (Pty) Ltd. 2nd Floor, Suite 56 & 03 102 Stephen Dlamini Road, Musgrave Durban - 4001, South Africa	Subsidiary	100%	No
6.	Ramco Systems Canada Inc. 25th Floor, 666 Burrard Street Vancouver, BC V6C 2X8, Canada	Subsidiary	100% held by Sl. No. 1	No



S. No.	Name of the holding / Subsidiary/ Associate Companies/ Jointventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
7.	Ramco Systems FZ-LLC Suite No.210, 2nd Floor, BT Building, EIB 04, Dubai Internet City, PO Box - 500189, Dubai – U.A.E.	Subsidiary	100%	No
8.	R S L Software Co. Ltd. House number 306, Second Floor, Block 21, Riyadh, Khartoum, Sudan	Subsidiary	100%	No
9.	Ramco Systems Australia Pty Ltd. Level 17, 60, City Road, Southbank, Melbourne, VIC - 3006, Australia	Subsidiary	100%	No
10.	Ramco System Inc. 17th Floor, BDO Equitable Tower, 8751 Paseo de Roxas Makati, 1227 Metro Manila, Philippines	Subsidiary	100%	No
11.	Ramco Systems (Shanghai) Co. Ltd. Unit No. 336 Suite B, Floor 3, No.99 Gongping Road, Hongkou District, Shanghai, China	Subsidiary	100%	No
12.	PT Ramco Systems Indonesia The Executive Center, Suite 28 at Level 30, South Tower, Sampoerna Strategic Square, Jl. Jend. Sudirman Kav. 45-46, South Jakarta - 12930, Indonesia	Subsidiary	100%	No
13.	Ramco System Vietnam Company Limited Room 24, 16th Floor, Saigon Tower, 29 Le Duan Boulevard, District 1, Ho Chi Minh City, Vietnam	Subsidiary	100%	No
14.	Ramco Systems Macau Limited Block G, 14th Floor, China Plaza, No. 762-804 Avenida da Praia Grande, Macao	Subsidiary of SI. No.3	-	No
15.	Ramco Software Japan Limited 3-2-5-704, Ebisu, Shibuya-ku, Tokyo, Japan	Subsidiary	100%	No
16.	Ramco Systems Defense and Security Incorporated 545 E John Carpenter FWY, Suite 900, Irving TX- 75062, USA	Subsidiary	100% held by SI. No. 1	No




S. No.	Name of the holding / Subsidiary/ Associate Companies/ Jointventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
17.	CityWorks (Pty.) Ltd. 6 & 7 Point Bay, 5 Signal Road, Point Waterfront, Durban - 4001, South Africa	Associate	30% held by Sl. No. 5	No
18.	Ramco Middle East for Information Technology, Hamad Tower, 4th Floor, King Fahd Branch Road, Al Olaya, Riyadh - 12212, Kingdom of Saudi Arabia	Subsidiary	100%	No
19.	Ramco System LLC, Office 223 Desk 01 and 03, 2nd Floor, Regus Building, D Ring Road, Old Air, Regus Business Centre, No. 65, Doha, Qatar	Subsidiary	100%	No

VI. CSR Details

22. (i)	Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii)	Turnover (Rs. Mln.)	2,478.15
(iii)	Net worth (Rs. Mln.)	8,561.35

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Communities	Yes*	0	0	-	0	0	-
 Investors (other than Shareholders)	Yes*	0	0	-	0	0	-
 Shareholders	Yes*	1	0	-	0	0	-



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes*	0	0	-	0	0	-
Customers	Yes*	0	0	-	0	0	-
Value Chain Partners	Yes*	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-

* Policy Link: <https://www.ramco.com/investor-relations/corporate-governance/policies-and-codes>

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Risk/ Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management	Risk	Energy is often necessary to operate processing units, machinery, and other facilities that are not directly involved in manufacturing in the software and IT business. As a result, a firm's decisions about the energy intensity of its operations and the sources of its energy may change over time, impacting the organization's operating efficiency and risk profile.	Energy efficiency and switching to renewable energy sources, is a priority that reduces carbon emissions, can reduce our operating costs and is aligned with the agenda of moving towards carbon neutrality. Ramco takes focused initiatives to reduce Company's specific and absolute energy consumption.	Negative

S. No.	Material issue identified	Risk/ Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Climate Change	Risk	Climate change events bring physical dangers such as sea level rise and increased cyclonic effect, as well as transitional concerns such as renewable energy mandates. Such occurrences have the potential to have an impact on the business. As a result, assessment and mitigation of such hazards is very vital.	Ramco is focusing on Net Zero and developing technology-enabled climate-centric solutions for our customers.	Negative
3.	Diversity, Equity and Inclusion	Opportunity	A Company's high diversity and inclusion rate reflects its employees' sense of belonging and justice. Furthermore, increasing diversity and inclusion helps businesses support vulnerable populations, resulting in the construction of community brand image.	-	Positive
4.	Human Rights	Risk	Companies that prioritise human rights highlight their dedication to developing long-term, mutually beneficial partnerships with individuals influenced or touched by their operations, such as consumers, communities, workers, and investors. This includes demonstrating concern for the people whose lives they interact with.	Ramco has a robust Human Capital Management (HCM) tool which helps Ramco optimize the various HR functions. It helps the Company in Competency planning and better staffing.	Negative
5.	Digital Talent Empowerment	Opportunity	Empowering digital talent in the workplace is critical because it provides employees with new skills and chances to engage more effectively and show their potential, as a result, increasing employee engagement and efficiency in performance.	-	Positive



S. No.	Material issue identified	Risk/ Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Talent Acquisition, Development & Retention	Risk	Higher staff retention rates indicate that the Company's policies and practises are sound. A high attrition rate, on the other hand, signals low employee satisfaction to investors. Ensuring good worker wellbeing can increase employee morale while decreasing onboarding costs.	The primary focus is to create a motivated workforce that will contribute to higher levels of business performance. We rely on the right talent for servicing customer needs, business sustainability, and future growth.	Negative
7.	Education and Skill Development	Opportunity	Employee re-skilling enables businesses to stay up with the dynamic shift in demand for new technology while also sustaining the growing firm. It develops a workforce that is adaptable, nimble, and eager to learn, and that can take on new duties when the organisation requires assistance.	-	Positive
8.	Customer Relations	Risk	Customer satisfaction is a critical success indicator as it assesses how well firms deliver products and services that meet or exceed consumers' expectations, providing insight into an organization's overall success. A poor customer experience relationship can lead to customer loss or a drop in customer loyalty. Similarly, client loss and reputational damage can result in decreased sales and revenue.	Our trust-based relationships with customers enable us for success. Ramco engages with customers across the year in ways to reinforce trust and strengthen relationship. With dedicated customer support team and quality team we ensure utmost customer satisfaction	Negative
9.	Risk Management	Risk	Maintaining competitive superiority in this dynamic demand and supply side environment needs that the Company be resilient to shocks. This is controlled through a strong enterprise risk management approach that assesses and manages financial and non-financial threats.	Maintaining our position of competitive dominance in this dynamic demand and supply-side environment necessitates that our business is resilient to handle shocks. Management of this is enabled through a robust enterprise risk management process that evaluates and addresses both financial and non-financial risks.	Negative

S. No.	Material issue identified	Risk/ Opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Business Ethics and Compliance	Risk	The significant issue relevant to business ethics and the management of business ethics issues such as fraud, executive misbehaviour, unethical practises, money laundering, or anti-trust crimes. Ethics infractions can result in police investigations, expensive fines, settlement fees, and reputational damage.	We comply with the Laws of the countries and geographies in which we operate is a business imperative that protects the Company.	Negative
11.	Data Privacy and Security	Risk	Companies are graded based on the amount of personal data they gather, their exposure to changing or expanding privacy rules, their vulnerability to prospective data breaches, and their data protection mechanisms.	Ramco uses data protection practices to ensure that the customer's data is secure. We have a ISO 27001 certified process in place.	Negative
12.	Corporate Governance	Risk	Businesses are evaluated based on their performance in all important governance concerns, such as ownership and control, Board's compensation, accounting, corporate ethics, and tax transparency. Additionally, this topic investigates how corporate governance and business ethics practises affect a Company's Shareholders and other investors.	As being exposed to Reputation Risk and Legal Risk, Ramco Systems hold strong corporate governance for achieving long-term mission of aligning the Company's interests with stakeholders.	Negative
13.	Innovation	Opportunity	Businesses that innovate stay relevant and ahead of the competition. It enables them to contribute value to the industry while also meeting the needs of their customers along with tapping into a wider market presence.	-	Positive

For details on the mitigation please refer the section "A Sustainable Future"



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This Section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (“NGRBC”) Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink of the Policies, if available	https://www.ramco.com/investor-relations/corporate-governance/policies-and-codes								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001: 2015 & ISO 20000-1:2018	-	-	-	-	-	-	ISO 27001 :2013
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ramco is dedicated to delivering cutting-edge enterprise solutions that drive organizational transformation. Our focus on customer delight together with our commitment to innovation and fostering a culture of excellence sets us apart in the marketplace. As an organization, we have already implemented numerous best practices recommended by NGRBC. However, as we have adopted BRSR reporting for the first time this year and conducted initial stages of materiality assessment, we aim to establish well-defined objectives and targets in the upcoming reporting period.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

Governance, leadership and oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

I am delighted to share with you Ramco Systems Limited’s commitment to embracing Environmental, Social, and Governance (ESG) practices and driving sustainable growth for a better future. Our dedication to addressing ESG-related challenges and delivering maximum value to our stakeholders is at the core of our business philosophy.

In an industry that faces various ESG-related challenges, such as data privacy and security, compliance and regulatory issues, and upholding ethical conduct and good governance, Ramco remains steadfast in addressing these challenges. We understand the importance of responsible business practices and their impact on our stakeholders and the world at large.

In line with this, we at Ramco have been implementing various sustainable business practices that promote social responsibility and environmental stewardship. We have been proactively procuring energy-efficient office equipment, encouraging sustainable modes of transportation among our employees, and responsibly managing waste through recycling of outdated electronic equipment. We believe that small actions can create a significant positive impact on our environment.

With our emphasis on an Employee-Centric culture, we take pride in fostering an inclusive and diverse work environment where employee growth, well-being, and diversity are paramount. We recognize that our diverse talent pool brings unique perspectives and contributes to our overall success. Ramco values and respects the diversity of its workforce and is committed to providing equal opportunities for all.

The Board and management of Ramco are dedicated to upholding responsible governance, integrity, and ethical conduct at all levels. We believe that strong governance practices are essential for ensuring optimal performance and building trust among our stakeholders.

Moving forward, Ramco will continue to generate a positive impact in ecological balance, societal development, and governance practices. We have successfully embarked on our ESG journey and continue to remain committed, thereby striving to create a sustainable future for generations to come.

Thank you for your continued support and trust in Ramco Systems Limited.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>1. Mr. P R Venketrama Raja, Director DIN:00331406 Chairman of the Board is a Non-Executive & Non-Independent Director and Promoter, is responsible for implementation.</p> <p>2. Mr. Raghuveer Sandesh Bilagi, Chief Operating Officer Business Responsibility Head.</p>												
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes CSR Committee:</p> <table border="1" data-bbox="695 491 1485 704"> <thead> <tr> <th>Sl. No.</th> <th>Name of Director</th> <th>Designation /Nature of Directorship</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. P R Venketrama Raja</td> <td>Chairman/Non-Executive & Non-Independent Director</td> </tr> <tr> <td>2</td> <td>Mr. M M Venkatachalam</td> <td>Member/Non-Executive & Independent Director</td> </tr> <tr> <td>3</td> <td>Mr. A V Dharmakrishnan</td> <td>Member/Non-Executive & Non-Independent Director</td> </tr> </tbody> </table>	Sl. No.	Name of Director	Designation /Nature of Directorship	1	Mr. P R Venketrama Raja	Chairman/Non-Executive & Non-Independent Director	2	Mr. M M Venkatachalam	Member/Non-Executive & Independent Director	3	Mr. A V Dharmakrishnan	Member/Non-Executive & Non-Independent Director
Sl. No.	Name of Director	Designation /Nature of Directorship											
1	Mr. P R Venketrama Raja	Chairman/Non-Executive & Non-Independent Director											
2	Mr. M M Venkatachalam	Member/Non-Executive & Independent Director											
3	Mr. A V Dharmakrishnan	Member/Non-Executive & Non-Independent Director											

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/									Frequency								
	Any other Committee									(Annually/Half yearly/Quarterly/ Any other – please specify)								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board									Annually								

11. Has the entity carried out independent assessment evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency:	P 1 No	P 2 Yes, ISO 9001: 2015 & ISO 20000-1:2018 is certified by TUV Rheinland.	P 3 No	P 4 No	P 5 No	P 6 No	P 7 No	P 8 No	P 9 Yes, ISO/IEC 27001:2013 is certified by TUV Rheinland.
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12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
 Board of Directors	4	Recent statutory pronouncements and business updates	100%
 Key Managerial Personnel	5	Recent statutory pronouncements, business updates, Compliance updates - ESG and BRSR awareness sessions.	100%
 Employees other than Board of Directors and KMPs	472	<ol style="list-style-type: none"> 1. Developing Behavioural capability of employees 2. Assessing the employees 3. Developing Functional capability of employees 4. Developing Leadership capability of employees 5. Developing Process related capability of employees 6. Developing capability of Freshers 7. Developing Technical capability of employees 8. Leadership Capability 9. Strategic Leadership 10. People Manager Capability 11. Developing Individual Capability 	65.67%
 Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ Law enforcement agencies/ judicial institutions, in the financial year, in the following format; Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI LODR and as disclosed in the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	0	NA	NA
Settlement	NA	NA	0	NA	NA
Compounding fee	NA	NA	0	NA	NA

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

*There were no fines/ penalties/punishment/ award/ compounding fees/ settlement fees which were paid during the year.





3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company has an Anti-Corruption and an Anti-Bribery statement which is stated in the Company Code of Conduct (COC). All employees of Ramco shall comply with all applicable national and international anti-corruption Laws and Regulations and are committed to the prevention, deterrence, and detection of fraud, bribery, and all other corrupt business practices. Appropriate action will be taken for any breach of this COC, including dismissal through termination. For more information, check out the Company's Code of Conduct.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any Law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
 Directors	0	0
 KMPs	0	0
 Employees	0	0
 Workers	Not Applicable	

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ Law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no such cases/ issues during the year where taking corrective action was required.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	HRP Foundation for Customers	100%



2. Does the entity have processes in place to avoid/ manage conflict of interests involving Members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, all the Directors provide annual declaration to adherence to code of conduct covering conflict of interest. Code of Conduct.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0	0	NA
Capex	0	0	NA

- | | |
|--|---|
| 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) | No |
| b. If yes, what % of inputs were sourced sustainably? | 0% |
| 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. | For safely reclaiming the products for reusing, recycling and disposing at the end of life, we have a disposal system which fall under the E-waste category. Servers, Network, Storage, Desktops and laptops, which have become obsolete or which are declared as end of life by the manufacturer are the candidates meant for E-waste. These assets are either replaced or disposed through certified E-waste disposal partners that are retained for records. |
| 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. | No |

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number ©	% C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1146	1146	100%	1146	100%	NA	NA	1146	100%	0	0%
Female	766	766	100%	766	100%	766	100%	NA	NA	0	0%
Total	1912	1912	100%	1912	100%	766	100%	1146	100%	0	0%

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number ©	% C / A	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Female	69	0	0%	0	0%	0	0%	0	0%	0	0%
Total	158	0	0%	0	0%	0*	0%	0*	0%	0	0%

*Other than permanent employees are recruited for a limited period of time. During their tenure with the Company, no persons have availed the maternity & paternity leave.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B / A	Number ©	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)



Permanent workers

Male	Not Applicable										
Female											
Total											



Other than Permanent workers

Male	Not Applicable										
Female											
Total											

2. Details of retirement benefits, for current financial year and previous financial year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%		Yes	100%		Yes
ESI	0%*		NA	0%		Yes
Others – Please Specify**	100%		Yes	100%		Yes

*None of the employees are eligible for coverage under ESI.

** In addition to the above, the Company has Superannuation Scheme and National Pension Scheme, the participation in which, by the employees is optional and voluntary.

3. Accessibility of workplaces

<p>Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.</p>	<p>The Company's premises are generally friendly to all disabled visitors and employees. The Company periodically reviews the requirements and takes necessary initiatives for improvement.</p>
<p>4. Does the entity have an equal opportunity policy as per the Rights of persons with Disabilities Act, 2016? If so, provide a web-link to the policy.</p>	<p>Yes, its mentioned in the handbook as well as BRSR Policy.</p>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	84%	Not Applicable	
Female	100%	13%		
Total	100%	29%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
 Permanent workers	NA
 Other than Permanent workers	NA
 Permanent employees	Yes.
 Other than Permanent Employees	Ramco encourages employees to address concerns initially through open communication and dialogue with their immediate supervisors. In case of unsatisfactory responses, employees can escalate their grievances to the location HR department for assistance. The Company provides a comprehensive code of conduct that outlines offenses and a progressive discipline framework.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D / C)
Total Permanent Employees	1912	0	0%	1796	0	0%
Male	1146	0	0%	1076	0	0%
Female	766	0	0%	720	0	0%
Total Permanent Workers	Not Applicable					
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)



Employees

Male	1146	311	27%	1146	100%	1076	18	0.1%	919	85%
Female	766	298	38%	766	100%	720	13	0.1%	720	100%
Total	1912	609	32%	1912*	100%	1796	31	0.1%	1639*	91%



Workers

Male	Not Applicable									
Female										
Total										

* The actual number of employees trained, including those resigned, is greater than the total number of employees.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
 Employees						
Male	1146	1053	91.8%	1076	885	82.2%
Female	766	724	94.5%	720	592	82.2%
Total	1912	1777*	93%	1796	1477*	82.2%
 Workers						
Male	Not Applicable					
Female						
Total						

*The performance evaluation and carrier development reviews exclude those who have not completed six months of service during the respective financial years.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).
If yes, the coverage such system?

Yes,

The Company attaches importance to OHS measures. Health & safety aspects are integrated into the corporate governance structure. Health and safety are ensured by conducting workshops and programs on wellbeing that includes ergonomics, physical and mental wellbeing which are key in improving productivity and wellbeing of the employees.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?









The Company encourages its employees to report any work-related hazards to Admin and/or HR departments, which are addressed promptly.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) NA

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees are covered by a comprehensive health insurance benefit including coverage of pre-existing ailments that provides access to healthcare.



11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	 Employees	0	0
	 Workers	NA	NA
Total recordable work-related injuries	 Employees	0	0
	 Workers	NA	NA
No. of fatalities	 Employees	0	0
	 Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	 Employees	0	0
	 Workers	NA	NA
No. of fatalities		0	0
		NA	NA
High consequence work-related injury or ill-health (excluding fatalities)		0	0
		NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company conducts regular fire and safety drills, and has stationed fire wardens on every floor. Prescribed temperatures are maintained. Strict sanitation standards are adhered to ensure a clean workplace. Medical practitioners are available on request. The Company encourages employees to report any incidents or near-misses, so that these can be prevented in future.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
 Working Conditions	0	0	0	0	0	0
 Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
 Health and safety practices	100%
 Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Any issues which are brought to the notice of the concerned department is addressed immediately and communicated back to the complainant on the correction action taken.

PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders





Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Our stakeholder identification process involves recognizing and analysing individuals or groups that impacts the Company, which are impacted by its operations, and have a significant influence on its success. This includes stakeholders such as customers, employees, investors, suppliers, regulatory authorities, local communities, and the environment. The Company assesses the impact it has on its stakeholders, such as providing innovative IT solutions, creating employment opportunities, fostering digital inclusion, and promoting responsible data management aligned with the Sustainable Development Goals (SDGs). This stakeholder-centric approach enables the Company to address their needs and concerns while working towards a sustainable future.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Employees	No	Email, SMS, Meetings, Website, social media, Circulars, etc.	Regular	Regular employee engagement including training and awareness, concern and queries, performance appraisals etc
 Customers	No	Email, SMS, Meetings, Website, Business interactions, Advertisement	Regular	Information about the product, hearing and resolving concerns and questions

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Shareholders and Investors	No	Annual General Meeting, Investors Meet, Email, Website, Newspaper, Stock Exchange Filings, Letters etc.	Periodic	Performance of the Company and major highlights of the year and upcoming year
 Suppliers & Vendors	No	Email, SMS, Business Meetings	Regular	Compliance, service quality, deadlines and due dates, concerns and queries
 Government & Regulatory bodies	No	Email, Meetings, Website, Annual Report, Stock Exchange Filings, Industry Body Representations	As and when required	Periodic compliances
 Local communities	May be (in some cases)	Onsite Community Meetings, Direct engagement through project teams	Regular	CSR Project Implementation and success

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	1912	100	5%	1796	0	0%
Other than permanent	158	NA	NA	177	NA	NA
Total Employees	2070	100	4.8%	1973	0	0%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA



2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C /A)		No.(E)	% (E/D)	No.(F)	% (F/D)



Employees

Permanent										
Male	1146	0	-	1146	100%	1076	0	-	1076	100%
Female	766	0	-	766	100%	720	0	-	720	100%
Other than permanent										
Male	89	0	-	89	100%	109	0	-	109	100%
Female	69	0	-	69	100%	68	0	-	68	100%



Workers

Permanent	Not Applicable
Male	
Female	
Other than permanent	
Male	
Female	

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration salary/ wages of respective category (In Rs.)	Number	Median remuneration/ salary/ wages of respective category (In Rs.)
Board of Directors (BOD)	7	345,000	1	300,000
Key Managerial Personnel	3	2,480,000	0	-
Employees other than BoD and KMP	1146	912,270	766	560,894
Workers	Not Applicable			

BOD comprises all Directors, including Independent Directors. While calculating the median, the sitting fees paid to Non-Executive Directors and the remuneration & sitting fees paid to Executive Director are considered.

Note: Mr. Abinav Ramasubramaniam Raja, Whole Time Director is covered under both, KMP and Board of Directors.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Internal Complaints Committee, People related decisions are centred around the core values of the organisation.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

For grievance redressal related to Human Rights issues, the actions are guided by International Human Rights principles encompassed by the NGRBC, and the Universal Declaration of Human Rights, including those contained within the International Bill of Rights and the International Labour Organization’s 1998 Declaration on Fundamental Principles and Rights at Work. An email can be sent to InvestorRelations@ramco.com and the designated official for assisting and handling Investor and Shareholder grievances: Mr. Vijayaraghavan NE Company Secretary & Compliance Officer Ramco Systems Limited

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.







To prevent adverse consequences to the complaint in such cases, the concerned will be given a furlough, typically a time off, counselling or a reassignment to a different department or location if necessary. The complainant’s privacy and confidentiality will be protected during the process. If the complaint is substantiated, appropriate disciplinary actions against the accused party will be taken which may include reprimands, suspension, or termination.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Minimum wages, prohibition of employment of child labour etc. as per local regulatory requirement, are ensured.



9. Assessments for the year:

Particulars	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
 Child labour	100%
 Forced/involuntary labour	100%
 Sexual harassment	100%
 Discrimination at workplace	100%
 Wages	100%
 Others – please specify	100%*

* Assessments done through Grievance redressal mechanism in respect of other than human rights related issues.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no such cases/issues arising from the assessments where taking corrective action was required.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company revisits the policies on a regular basis based on performance reviews to ensure that fair and unbiased practises are followed. Various trainings such as Prevention of Sexual harassment and discrimination at workplace are also held at the workplace to ensure awareness is created which contributes to an inclusive workplace culture.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company's premises are generally friendly to all disabled visitors and employees. The Company periodically reviews the requirements and takes necessary initiatives for improvement.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
Total electricity consumption (A) (In GJ)	10,045.53	7,951.86
Total fuel consumption (B) (In GJ)	540.12	373.20
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C) (In GJ)	10,585.65	8,325.06
Energy intensity per lacs rupee of turnover (Total energy consumption (In GJ) /turnover in rupees ("lakhs"))	0.4272	0.2978
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites/ facilities/ offices which are identified as designated consumers under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	9,274	3,945
(iv) Seawater / desalinated water	0	0
(v) Others (Drinking Water)	363.265	130.84
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9,637.26	4,075.84
Total volume of water consumption (in kilolitres)	9,637.26	4,075.84
Water intensity per lakh rupee of turnover (Water consumed (in KL) / turnover in rupees (“lakh”))	0.3889	0.1458
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, considering the nature of the business, Zero Liquid Discharge Treatment does not apply to the Company.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Nox	Parts per Mln. by volume	0	0
Sox	Parts per Mln. by volume	0	0
Particulate matter (PM)	Microgram per cubic metre	0	0
Persistent organic pollutants (POP)	Microgram per cubic metre	0	0
Volatile organic compounds (VOC)	Microgram per cubic metre	0	0
Hazardous air pollutants (HAP)	Microgram per cubic metre	0	0
Others– please specify	-	0	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No



6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	Metric tonnes of CO ₂ equivalent	33.74	23.32
Total Scope 2 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	Metric tonnes of CO ₂ equivalent	2,260.24	1,789.17
Total Scope 1 and Scope 2 emissions per “lacs” rupees of turnover.		0.0926	0.0648
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details NA

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.162	0.118
E-waste (B)*	2.718	0.5
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) Paper Waste	0.279	1.605
Total (A+B + C + D + E + F + G + H)	3.159	2.223

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	1.343	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	1.343	0

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	0	1.505
(ii) Landfilling	0	0
(iii) Other disposal operations	0.441	2.736
Total	0.441	4.241

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

*Certain category of waste is not disposed.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

For safely reclaiming the products for reusing, recycling and disposing at the end of life, we have a disposal system which fall under the E-waste category. Servers, Network, Storage, Desktops and laptops, which have become obsolete, or which are declared as end of life by the manufacturer are the candidates meant for E-waste. These assets are either replaced or disposed through certified E-waste disposal partners that are retained for records. These assets are either replaced or disposed through certified E-waste disposal partners that are retained for records. Additionally, we do not deal with hazardous or toxic chemicals in our products.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable Laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable Environmental Law/ Regulations/ Guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the Law/ Regulation/ Guidelines which was not complied with*	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

*The Company is compliant with the applicable Environmental Law/Regulations/ Guidelines in India. As a result, there were no fines/ penalties or actions taken by regulatory agencies such as pollution control boards or courts where taking corrective action was required.



PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. 7*

*With the IT industry thriving globally, the Company believes that it is imperative for organizations to work hand in hand, in order to further promote the development of the sector. Alliances with trade bodies or chamber of commerce not only aligns with the country's tech vision but also helps enable and accelerate the pace of global digital transformation.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Australian Payroll Association (APA), Australia	National
2	The Association of Payroll Specialists (TAPS), Australia	National
3	Global Payroll Association (GPA), United Kingdom	National
4	Global Payroll Management Institute (GPMI), United States of America	National
5	National Association of Software and Service Companies (NASSCOM), India	National
6	American Chamber of Commerce (AMCHAM), Singapore	National
7	Middle East Facility Management Association (MEFMA), United Arab Emirates	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
-	-	-

There were no cases/ issues related to anti-competitive conduct in the FY2022-23 where taking corrective action was required.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable Laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

There were no projects undertaken by the Company as it is not mandatory to conduct Social Impact Assessments.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

An email can be written to wecare@ramco.com and the related Committee (Corporate Social Responsibility Committee) shall take care of the matter from there.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	19.37%	13.83%
Sourced directly from within the district and neighbouring districts*	53.69%	50.62%

* Represents procurement made from vendors within the state.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- The Company has a rtrack system, an online tracking system to track all technical consumer issues during the lifecycle of the contract/ agreement with the Company.
- An escalation mechanism is set up to track all technical consumer issues.
- The reports of technical issues raised and responded are shared with the customers.

2. Turnover of products and/ services as a % of turnover from all products/service that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA



5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have a policy and framework in place. Additionally, we are ISO 27001:2013 certified. <https://www.ramco.com/privacy-policy>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such cases have occurred the required taking any corrective actions on advertising, delivering of essential services, cyber security and data privacy, re-occurrence of instances of product recalls, penalties or actions taken by regulatory authorities on safety of products / services.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the Company's products are listed on the Company website. More details about the products & services can be accessed by visiting at www.ramco.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company deals in software products and all relevant product and technical information are made available to the Clients in a written proposal and/or included in the executed contracts. Also, the marketing communications adhere to all legal statues with respect to product labelling and display of product information.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company will ensure that disruption/discontinuation of essential services is kept to a minimum and will inform customers on email for any risk of disruption/discontinuation of essential services.

Independent Auditor's Report

To the members of **RAMCO SYSTEMS LIMITED**

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Separate ("Standalone") Financial Statements drawn in accordance with the Indian Accounting Standards ("Standalone Financial Statements") of Ramco Systems Limited ("Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year ended on 31 March 2023 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the State of Affairs ("Financial Position") of the Company as at 31 March 2023, its Loss ("Financial Performance including Other Comprehensive Income"), Cash Flows and Changes in Equity for the year ended on 31 March 2023.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion

on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue

Trade Receivables

Trade receivables are amounts billed but not yet received. As on 31 March 2023, amount outstanding on this account is Rs. 844.21 Mn (PY: 692.95 Mn). Of this Rs. 519.57 Mn is receivable from twelve subsidiaries.

Unbilled License Revenue

Revenue recognition in the case of Licenses is on delivery of the software and when the customer obtains a right to use such license. The revenue recognized over billing is classified as Unbilled License Revenue and grouped under Financial Assets (both Current and Non-Current). The amount outstanding as on 31 March 2023 is Rs. 266.61 Mn (PY: 316.86 Mn).

Unbilled Service Revenue

Revenue recognition in the case of services is based on percentage of completion method. The revenue recognized over billing is classified as Unbilled Service Revenue and grouped under Other Assets (both Current and Non-Current). The amount outstanding as on 31 March 2023 is Rs. 283.02 Mn (PY: 317.77 Mn).

Auditor's Response

We have audited the Revenue recognition to ensure that it follows the stated policy. The outstanding amount has certain element of risk.

- i. In the case of Trade Receivable, there could arise a credit risk on account of default of the payment obligation by the customer, resulting in a financial loss.
- ii. In the case of Unbilled License Revenue, the risk could arise on account of inability of the Company to raise invoices on the stated timelines.
- iii. In the case of Unbilled Service Revenue, the risk could arise on account of, (a) non- acceptance of the milestones delivered to the customer and, (b) the consequential inability of the company to invoice those milestones.
- iv. In respect of (ii) and (iii) above, once invoiced, there could arise credit risk as stated in (i) above.

The Company creates a provision for Trade Receivables and Unbilled License Revenue by using a 12-month ECL method along with ECL over lifetime of the assets by using a provision matrix which is based on the historical loss experience reflecting current conditions.



Independent Auditor's Report (Contd.)

In the case of Unbilled Service Revenue, the Company creates a provision using a 12-month ECL where credit risk has not increased significantly. In other cases, the impairment is measured based on probability of default over lifetime.

While arriving at our conclusion that the stated amounts are realizable, we have applied the following audit procedures:

1. We have reviewed the credit risk policy of the Company. The implementation of such policy has been audited through audit / review of accounts through compliance and substantive testing of selected samples. The substantive audit procedures include ascertaining the contractual obligation of the customers, execution status of the selected projects and consequent recoverability, historical evidence of the ability of the Company in reviving certain stagnant projects.
2. We assessed the ageing of Trade Receivables and Unbilled Revenue, the customer's historical billing and collection patterns along with the technical status of the projects and whether any payments post year-end have been received up to the date of this report. We have also ascertained the key judgments and assumptions used by the Management in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.
3. We have also evaluated the empirical data of the previous years, and we have ascertained that the current provisioning for the expected credit loss is in line with the historical evidence.

Investment in Subsidiaries

The Company has various overseas subsidiaries. The carrying cost of the investment in these subsidiaries under equity as on 31 March 2023 is Rs. 3,925.93 Mn (PY: 3,678.59 Mn). The investments in these subsidiaries are considered by the Company as long-term, strategic, and essential in nature in achieving the commercial objectives of the Company.

Auditor's Response

We have evaluated the carrying cost of the investments in subsidiaries. In the process of evaluation, we have considered the Company's view that these are long-term, strategic and essential in nature. While evaluating the statement by the Company, we have considered the inter-dependency between the Company and its subsidiaries, the manner in which the operations are carried out by the Company and its subsidiaries. We have taken note of the fact that these subsidiaries have been established by the Company to meet the requirement

of the customers to enter into contracts with the Company's local entities, and also the need to have local entities to comply with the work permit related requirements while deploying the Company's resources in such local entities.

Intangible Assets

The Company's significant cash generating assets are Product Software and Technology Platform. Costs incurred in the development of the product, together with updates to the product functionality, development of new business components, upon completion of the development phase, have been classified as "Product Software". Similarly, costs incurred in the development of Technology Platform framework, together with updates to the technology platform functionality which would enable the Company to provide solutions in both standard and customized way, have been classified as "Technology Platform". These are disclosed under Intangible Assets.

The carrying value of Intangible Assets is subjected to evaluation based on its existing verticals and functionality and its ability to generate revenue in future for the foreseeable period. The carrying cost of Product Software and Technology Platform as on 31 March 2023 is Rs. 3,333.60 Mn (PY: 2,812.05 Mn).

Auditor's Response

We have reviewed and verified the process of capitalization of Product Software and Technology Platform. The Company amortizes the cost incurred in development of these intangible assets over its estimated useful life, which is determined as ten years.

Our procedures focused on validating the current carrying value by:

1. Ascertaining the functional structure of the product software and technology platform and their reasonableness; and
2. (a) Evaluating the appropriateness of the revenue forecasts and operating cash flows that could be generated based on the current functionality of the product software and technology platform, included in the business forecast for the foreseeable future.
 - (b) Reviewing the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:
 - i) Comparing historical budget forecasts against actual results.
 - ii) Comparing forecast growth to business plans approved by the Board.

Independent Auditor's Report (Contd.)

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our audit report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair

view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors, either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We, also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of Internal Financial Controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report (Contd.)

- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- i. Planning the scope of our audit work and in evaluating the results of our work; and
- ii. To evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the Directors as on 31 March 2023 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f. We have enclosed our report in "Annexure B" with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

Independent Auditor's Report (Contd.)

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations / claims against the Company as at 31 March 2023 on its financial position in its Standalone Financial Statements – Refer Note No. 29 in the Standalone Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding whether recorded in writing or otherwise, that the Intermediary shall:

- Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries"), or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries"), or

- Provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.

v. There is no dividend declared or paid during the year by the Company and hence the requirement of compliance with Section 123 of the Act does not arise.

h. With respect to the matter to be included in the Audit Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

i. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **M.S. Jagannathan & N. Krishnaswami**
Chartered Accountants
Firm Registration No.: 001208S

K. Srinivasan
Partner

Membership No.: 021510
UDIN: 23021510BGTPFG3231

Chennai
17 May 2023



Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Standalone Financial Statements of the Company for the year ended 31 March 2023)

We state the following after considering the information and explanations given to us by the Company and on the basis of examination of the records of the Company:

1. In respect of Company's Property, Plant and Equipment, Right-Of-Use Assets and Intangible Assets

1.1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-Of-Use Assets. The Company has also maintained proper records showing full particulars of Intangible Assets.

1.2. The Property, Plant and Equipment and Right-Of-Use Assets were physically verified during the year by the Company in accordance with the phased programme of verification which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed during such verification.

1.3. The title deeds of immovable properties disclosed in the financial statements are held in the name of the Company (Other than the properties where the Company is a lessee, and the lease arrangements are duly executed in favour of the Company).

1.4. The Company has not revalued its Property, Plant and Equipment (including Right-Of-Use Assets) and/or intangibles during the year and accordingly the provisions of clause 3(i)(d) of the Order is not applicable to the Company.

1.5. The Company does not hold any benami property and no proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition Act), 1988 (45 of 1988) and rules made thereunder and accordingly the provisions of clause 3(i)(e) of the Order is not applicable to the Company.

2. Inventory and Working Capital

2.1. The Company does not carry any inventory and accordingly the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

2.2. The Company has been sanctioned Working Capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the

Company with such banks are in agreement with the books of accounts of the Company.

3. Investments made, Loans given, Advances in the nature of loans given and guarantees/securities provided during the year

3.1. To Subsidiaries, Joint Ventures, Associates and Others

Particulars	Aggregate amount provided during the year (Rs. in Mn)	Balance outstanding at the year-end (Rs. in Mn)
Loans given to Subsidiaries, Unsecured	Nil	128.87
Guarantees provided to/on- behalf of Subsidiaries	83.22	846.50
Guarantees provided to others	Nil	0.53

3.2. The investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances are not prejudicial to the Company's interest.

3.3. The loans given to subsidiaries and interest due thereon are repayable on demand and hence the schedule of repayment is not applicable. The repayments and receipts have been regular when demanded.

3.4. There has been no amount overdue for more than 90 days in respect of loans given and accordingly the reporting under clause 3(iii)(d) of the Order is not applicable to the Company.

3.5. No loan granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the existing loans given to the same parties and accordingly the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

3.6. The Company has granted loans repayable on demand as below

Particulars	Aggregate amount provided during the year (Rs. in Mn)	Percentage to the loans granted	Balance outstanding at the year-end (Rs. in Mn)
Loans given to Subsidiaries, Unsecured	Nil	Not Applicable	128.87

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

4. The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security and accordingly the reporting under clause 3(iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposit or amounts which are deemed to be deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder with regard to the deposits accepted from the public are not applicable and accordingly the reporting under clause 3(v) of the Order is not applicable to the Company.
6. The Company is not required to maintain accounts and records which have been specified by the Central Government under Section 148(1) of the Act and accordingly the reporting under clause 3(vi) of the Order is not applicable to the Company.
7. **Undisputed and Disputed Taxes and Duties**
- 7.1. The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- 7.2. The disputed statutory dues aggregating to Rs. 103.80 Mn that have not been deposited on account of matters pending before appropriate authorities are as under:
- | Name of the statute | Nature of dues | Financial year | Forum where dispute is pending | Amount in Mn |
|---|------------------------|---------------------------|--|--------------|
| Tamil Nadu Value Added Tax Act, 2006 | Value Added Tax | FY 2009-10 & FY 2013- 14 | Honorable High Court of Madras | 75.86 |
| The Maharashtra Value Added Tax Act, 2002 | Value Added Tax | FY 2012- 13 | Deputy Commissioner of Sales Tax, Mumbai | 0.09 |
| Goods and Services Tax Act, 2017 | Goods and Services Tax | FY 2020- 21 & FY 2021- 22 | The Additional / Joint Commissioner of GST & Central Excise, Adjudication, Chennai | 27.85 |
8. There have been no transactions which were not previously recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments by the Company, under the Income Tax Act, 1961.
9. **Default in respect of repayment of loans and interest during the year**
- 9.1. The Company has not defaulted in repayment of dues to financial institutions, Banks, Government, Debenture holders or any other lender and accordingly the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- 9.2. The Company has not been declared as a willful defaulter by any bank or financial institution or any other lender.
- 9.3. The Company has obtained term loans from Banks during the year and the same were applied for the purposes for which they were obtained.
- 9.4. Funds raised on short term basis by the Company were not utilized for long term purposes.
- 9.5. The Company has not taken any funds from any entity or person on account of or to meet the obligations of the subsidiaries, joint ventures or associates and accordingly the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- 9.6. The Company has not raised any loans during the year on the pledge of securities held in subsidiaries, joint ventures, or associate companies and accordingly the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
10. **Funds Raised**
- 10.1. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly the reporting under clause 3(x)(a) of the Order is not applicable.
- 10.2. The Company has made a preferential allotment of shares and warrants convertible into equity shares, during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied. The funds utilized until the end of the financial year have been in accordance with the purposes for which they were raised.
11. **Fraud and Whistle Blower System**
- 11.1. We report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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

- 11.2. No report under sub-section (12) of Section 143 of the Act, has been filed by the auditors in respect of the Company, in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- 11.3. The Company's management has not received any whistleblower complaints during the year.
12. The Company is not a Nidhi Company and accordingly the reporting under clause 3(xii) of the Order is not applicable to the Company.
13. All the transactions with the related parties by the Company are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
14. The Company has an Internal Audit system commensurate with the size and nature of its business. The reports of the internal auditor have been taken into consideration.
15. The Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly the reporting under clause 3(xv) of the Order is not applicable to the Company.
16. Registration
- 16.1. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- 16.2. The Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- 16.3. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- 16.4. The Group does not have any CIC as part of it and accordingly the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has incurred cash losses in the current year amounting to Rs.525.52 Mn and has not incurred any cash losses in the immediately preceding financial year.
18. There has been no resignation of statutory auditors of the Company during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable to the Company.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Variations in ratios over 25% on comparison with previous year has also been disclosed in the notes accompanying financial statements.
20. CSR Compliance
- 20.1. There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act and accordingly the reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- 20.2. In respect of Ongoing projects, the Company has transferred CSR amount to a special account under section 135(6) of the Act, within the time prescribed under the Act.
21. None of the companies (other than Ramco Systems Limited, India) included in the Consolidated financial statements are incorporated in India, and hence the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Section 143(11) of the Act, is not applicable to them. Accordingly the reporting under clause 3(xxi) of the Order is not applicable to the Company.

For **M.S. Jagannathan & N. Krishnaswami**

Chartered Accountants
Firm Registration No.: 001208S

K. Srinivasan

Partner
Membership No.: 021510
UDIN: 23021510BGTPFG3231

Chennai
17 May 2023

Annexure B to the Independent Auditor's Report

(Referred in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("Act")

OPINION

We have audited the Internal Financial Controls over financial reporting of Ramco Systems Limited ("Company") as of 31 March 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on 31 March 2023.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

MANAGEMENT'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SAs"), issued by ICAI and deemed to be prescribed under Section

143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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



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

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

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of

For **M.S. Jagannathan & N. Krishnaswami**

Chartered Accountants

Firm Registration No.: 001208S

K. Srinivasan

Partner

Membership No.: 021510

UDIN: 23021510BGTPFG3231

Chennai

17 May 2023

Balance Sheet

As at March 31, 2023

Particulars	Note No.	As at	As at
		March 31, 2023	March 31, 2022
		Rs. Min.	Rs. Min.
ASSETS			
Non-current assets			
Property, plant and equipment	5	179.87	182.73
Right-of-use assets	6	524.37	406.34
Intangible assets	7	3,373.53	2,859.42
Financial assets			
Investment in subsidiaries	8.1	3,925.93	3,678.59
Investments	8.2	-	15.00
Other financial assets	9.5	248.98	214.20
Tax assets (net)		9.08	51.52
Deferred tax assets (net)	10	97.17	-
Other non-current assets	11	1.03	12.55
		8,359.96	7,420.35
Current assets			
Financial assets			
Investments	8.2	100.31	-
Loans	9.1	128.87	773.01
Trade receivables	9.2	844.21	692.95
Cash and cash equivalents	9.3	64.17	30.89
Bank balances other than cash and cash equivalents	9.4	474.77	-
Other financial assets	9.5	169.55	278.32
Tax assets (net)		83.19	85.11
Other current assets	11	530.07	491.40
		2,395.14	2,351.68
Total assets		10,755.10	9,772.03
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	352.63	308.49
Other equity	13	8,208.72	7,939.72
Total equity		8,561.35	8,248.21
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14.2	501.99	393.93
Trade payables	14.3		
Total outstanding dues of creditors other than micro and small enterprises		33.38	31.76
Deferred tax liabilities (net)	10	-	40.52
Provisions	15	78.01	66.32
Other non-current liabilities	16	10.61	18.34
		623.99	550.87
Current liabilities			
Financial liabilities			
Borrowings	14.1	380.00	-
Lease liabilities	14.2	81.14	66.81
Trade payables	14.3		
Total outstanding dues of micro and small enterprises		20.16	26.52
Total outstanding dues of creditors, other than micro and small enterprises		448.08	403.62
Other financial liabilities	14.4	3.97	20.69
Provisions	15	18.32	9.55
Liabilities for current tax		2.89	0.97
Other current liabilities	16	615.20	444.79
		1,569.76	972.95
Total liabilities		2,193.75	1,523.82
Total equity and liabilities		10,755.10	9,772.03
The accompanying policies and notes form an integral part of the financial statements			
Significant Accounting Policies, Judgments and Estimates	1-4		
Notes on Financial Statements	5-34		

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants
Firm Registration No.: 001208S

K SRINIVASAN

Partner
Membership No.: 021510

Place: Chennai
Date: May 17, 2023

Ramco Systems Limited

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director
Vancouver, Canada

N E VIJAYA RAGHAVAN

Company Secretary



Statement of Profit and Loss

For the year ended March 31, 2023

Particulars	Note No.	Year ended	Year ended
		March 31, 2023	March 31, 2022
		Rs. Mln.	Rs. Mln.
INCOME			
Revenue from operations	17	2,478.15	2,795.92
Finance income	18	50.67	102.28
Other income	19	9.75	1.88
Total income		2,538.57	2,900.08
EXPENSES			
Purchase of stock-in-trade		2.29	5.03
Changes in inventories of stock-in-trade		-	-
Employee benefits expense	20	1,966.14	1,591.15
Finance costs	21	87.34	46.81
Depreciation and amortization expense	22	739.19	698.63
Other expenses	23	1,005.11	1,142.08
Total expenses		3,800.07	3,483.70
Profit / (Loss) before tax		(1,261.50)	(583.62)
Income tax expense	10		
Current tax (includes MAT)		3.21	1.09
Deferred tax (includes MAT credit)		(134.66)	(85.00)
Total income tax expense		(131.45)	(83.91)
Profit / (Loss) for the year		(1,130.05)	(499.71)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) of defined benefit obligations	20.1	(10.41)	(12.18)
Income tax on above item(s)	10	3.03	3.55
Fair value gain / (loss) on Equity Instruments through OCI		(15.00)	-
		(22.38)	(8.63)
(ii) Items that may be reclassified to profit or loss			
Effect of change in functional currency of foreign operations		(35.48)	(9.16)
Income tax on above item(s)		-	-
		(35.48)	(9.16)
Other comprehensive income for the year (i + ii)		(57.86)	(17.79)
Total comprehensive income for the year		(1,187.91)	(517.50)
Earnings per Equity Share of Rs.10 each			
Basic		(35.84)	(16.26)
Diluted		(35.84)	(16.26)
Weighted average equity shares used in computing earnings per share			
Basic		31,530,253	30,738,261
Diluted		31,530,253	30,738,261
The accompanying policies and notes form an integral part of the financial statements			
Significant Accounting Policies, Judgments and Estimates	1-4		
Notes on Financial Statements	5-34		

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director
Vancouver, Canada

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 17, 2023

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

Statement of Changes in other Equity

For the year ended March 31, 2023

a. Equity share capital

	Nos. in Min.	Rs. Min.
Balance as at April 01, 2021	30.71	307.49
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the previous reporting period	30.71	307.49
Changes in Equity Share Capital during FY 2021-22 (refer note no.12)	0.10	1.00
Balance as at March 31, 2022	30.81	308.49
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	30.81	308.49
Changes in Equity Share Capital during FY 2022-23 (refer note no.12)	4.41	44.14
Balance as at March 31, 2023	35.22	352.63

b. Other equity for the year ended March 31, 2023

Particulars	Reserves & Surplus		Share application money pending allotment	Items of OCI		Fair value gain / (loss) on Equity Instruments through OCI	Money received against Share Warrants	Total other equity
	Securities premium	Employee stock options outstanding		Retained earnings	Remeasurement gains/ (losses) of defined benefit obligation			
As at April 01, 2022	6,675.74	198.48	1,104.96	(39.46)	-	-	-	7,939.72
Profit for the period	-	-	(1,130.05)	-	-	-	-	(1,130.05)
Other comprehensive income (OCI) / (losses)	-	-	-	(35.48)	(7.38)	(15.00)	-	(57.86)
Total comprehensive income / (losses)	6,675.74	198.48	(25.09)	(74.94)	(7.38)	(15.00)	-	6,751.81
Less: Transfer to Retained Earnings	-	-	(7.38)	-	7.38	-	-	-
Subscription to stock option schemes & preferential issue	-	-	-	-	-	-	-	-
Issue of share capital	1,156.86	-	-	-	-	-	-	1,156.86
Transfer on exercise of stock options	9.73	(9.73)	-	-	-	-	-	-
Share based payments for options granted	-	200.05	-	-	-	-	-	200.05
Issue of share warrants	-	-	-	-	-	-	100.00	100.00
As at March 31, 2023	7,842.33	388.80	(32.47)	(74.94)	-	(15.00)	100.00	8,208.72

Other equity for the year ended March 31, 2022

As at April 01, 2021	6,633.66	240.05	1,613.30	(30.30)	-	-	-	8,456.71
Profit for the period	-	-	(499.71)	-	-	-	-	(499.71)
Other comprehensive income (OCI) / (losses)	-	-	-	(9.16)	(8.63)	-	-	(17.79)
Total comprehensive income / (losses)	6,633.66	240.05	1,113.59	(39.46)	(8.63)	-	-	7,939.21
Less: Transfer to Retained Earnings	-	-	(8.63)	-	8.63	-	-	-
Subscription to stock option schemes & preferential issue	-	-	-	-	-	-	-	-
Issue of share capital	15.32	-	-	-	-	-	-	15.32
Transfer on exercise of stock options	26.76	(26.76)	-	-	-	-	-	-
Share based payments for options granted	-	(14.81)	-	-	-	-	-	(14.81)
Issue of share warrants	-	-	-	-	-	-	-	-
As at March 31, 2022	6,675.74	198.48	1,104.96	(39.46)	-	-	-	7,939.72

The accompanying policies and notes form an integral part of the financial statements.

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants

Firm Registration No.: 001208S

K SRINIVASAN

Partner

Membership No.: 021510

Place: Chennai

Date: May 17, 2023

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director

Vancouver, Canada

N E VIJAYA RAGHAVAN

Company Secretary



Cash Flow Statement

For the year ended March 31, 2023

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Min.	Rs. Min.
A. Cash flow from operating activities:		
Profit / (loss) before tax	(1,261.50)	(583.62)
Adjustments for :		
Depreciation and impairment of property, plant and equipment (PPE)	79.30	68.42
Amortization and impairment of intangible assets	569.55	549.51
Leased assets - Depreciation, impairment and finance costs	129.55	125.43
Share based payment accrual / (reversal)	200.05	(14.81)
(Profit) / loss on sale of PPE (net)	0.62	0.68
Bad debts / provision for doubtful debts & advances, net	109.22	281.43
Remeasurement of defined benefit obligations	(10.41)	(12.18)
Effect of exchange difference on translation of deferred tax & fixed assets	(0.03)	0.04
Effect of change in foreign currency translation reserve	(35.48)	(9.16)
Unrealized exchange (gain) / loss	2.30	(29.21)
Finance and investment income	(42.85)	(82.49)
Finance costs	42.21	2.07
Operating profit before working capital / other changes	(217.47)	296.11
Adjustments for :		
Increase / (decrease) in provisions	20.46	7.61
Increase / (decrease) in trade and other payables	39.72	139.30
Increase / (decrease) in other current liabilities	145.96	18.35
(Increase) / decrease in trade and other receivables	(169.29)	327.23
Cash generated from operations	(180.62)	788.60
Income tax paid	(1.29)	0.17
Net cash flow from / (used in) operating activities (A)	(181.91)	788.77
B. Cash flow from investing activities:		
Addition to tangible / Intangible assets	(1,162.07)	(870.74)
Investment in subsidiaries (net) (refer note no. 8.1)	20.59	0.43
Investment others	(100.31)	-
Proceeds from sale of PPE	1.38	1.82
Loans to subsidiaries (net)	376.21	75.64
Short term fixed deposits placed with Banks	-	(0.02)
Interest income on loans and deposits	38.26	71.37
Net cash flow from / (used in) investing activities (B)	(825.94)	(721.50)
C. Cash flow from financing activities:		
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans and preferential issue	1,201.01	16.32
Proceeds from long term borrowings	300.00	-
Proceeds from short term borrowings	4,727.62	623.03
Repayment of short term borrowings	(4,647.62)	(623.03)
Payment of lease liabilities	(125.19)	(114.32)
Finance income	4.59	11.12
Finance costs paid	(42.21)	(2.07)
Proceeds from issue of share warrants	100.00	-
Net cash flow from / (used in) financing activities (C)	1,518.20	(88.95)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	510.35	(21.68)

Cash Flow Statement

For the year ended March 31, 2023

	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
Effect of unrealized exchange (gain) / loss	(2.30)	29.21
Net cash generated / (used in) for the year	508.05	7.53
Cash and cash equivalents at the beginning of the year	30.89	23.36
Cash and cash equivalents as at the end of the year	538.94	30.89
Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings (excluding bank overdraft):		
Balance at the beginning of the year		
Long term borrowings	-	-
Short term borrowings	-	-
Sub total	-	-
Cash flows during the year		
Movement in long term borrowings		
Proceeds	300.00	-
Repayment	-	-
Movement in short term borrowings		
Proceeds	4,727.62	623.03
Repayment	(4,647.62)	(623.03)
Interest and finance charges on loans	42.21	2.07
Interest and finance charges on loans paid	(42.21)	(2.07)
Sub total	380.00	-
Balance at the end of the year		
Long term borrowings	300.00	-
Short term borrowings	80.00	-
Sub total	380.00	-
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents (refer note no.9.3)	64.17	30.89
Bank balances other than cash and cash equivalents (refer note no.9.4)	474.77	-
Balance as per statement of cash flows	538.94	30.89
Reconciliation between the opening and closing balances of lease liabilities:		
Balance at the beginning of the year	460.74	527.52
Payment of lease liabilities	(125.19)	(114.32)
Non-cash movements	247.58	47.54
Balance at the end of the year	583.13	460.74

The accompanying policies and notes form an integral part of the financial statements.

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director
Vancouver, Canada

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 17, 2023

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary



Notes to Separate (Standalone) Financial Statements

For the year ended March 31, 2023

1. CORPORATE INFORMATION

Ramco Systems Limited (the "Company") is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed in BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at No. 47, P.S.K Nagar, Rajapalayam 626108 and corporate office and R&D center is located at 64, Sardar Patel Road, Taramani, Chennai 600113.

The Company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like, Core ERP, Human Resource & Payroll, Aviation Maintenance Repair & Overhaul, Logistics, Service Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or hosted on cloud.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in its meeting held on May 17, 2023.

2. BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ('the Act') (to the extent notified), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 The financial statements have been prepared under the historical cost convention on accrual basis except certain instruments and defined benefit plan assets, share based payments that are measured at fair values or at amortized cost at the end of each reporting period.

2.2 Foreign currency transactions

The functional currency of the Company is Indian Rupee. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The monetary items denominated in the foreign currency at the year-end

are translated at the exchange rates prevailing on the date of the balance sheet and the loss or gain arising out of such transactions is adjusted in the Statement of Profit and Loss. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not reinstated at each balance sheet date.

2.3 Translation of financial statements of foreign branches

Functional currency of foreign branches is the respective local currency of domicile. All income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. All assets and liabilities are translated at the rate prevailing on the Balance Sheet date. Net gain / loss on foreign currency translation is recognized in Other Comprehensive Income.

2.4 An asset is treated as current when it is:

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

All other assets are classified as non-current.

2.5 A liability is current when:

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

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

All other liabilities are classified as non-current.

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

2.7 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.8 The financial statements are presented in Indian Rupees rounded to the nearest million ("Mln.") with two decimals. Figures less than ten thousands are shown as nil.

3. ACCOUNTING POLICIES

3.1 Significant accounting policies

a. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

b. Revenue recognition

The Company derives revenues from Software Solutions & Services. Revenues are derived from the following streams:

- (1) Revenue from Software Products, in the form of (a) Software Licensing (b) Subscription for Software as a Service (c) Product Support Services and (d) Application Maintenance Services;
- (2) Revenue from Software Services, in the form of (a) Implementation / Professional Services (b) Managed Services;
- (3) Revenue from Resale of Hardware & Software

Revenue is measured based on the transaction price, which is the consideration, adjusted for finance components and volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customers.

Revenue is recognized in the profit and loss account upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services or products and excluding taxes or duties. To recognize revenues, the Company applies the following five step approach:

- (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the contract value to separately identifiable performance obligations based on their relative standalone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

Company is unable to determine the standalone selling price, the Company uses expected cost- plus margin approach in estimating the standalone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues depends on the nature of the products sold / services rendered:

(1) Revenue from Software Products

(a) Software Licensing

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.

(c) Product Support Services

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

(d) Application Maintenance Services

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

(e) Royalty income

Royalty income represents fees charged at arms-length basis on the revenue earned from external customers by the subsidiaries, by way of Software Licensing, Product Support Services, Subscription for Software as a Service and Application Maintenance Service, in respect of Company's Software Products. Such royalty income is recognized at the point of time at which the subsidiaries recognize the said revenue.

(2) Revenue from Software Services

(a) Implementation / Professional Services

Software Implementation / Professional Services contracts are either fixed price or time and material based.

Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognized using the "percentage of completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Where the Software is required to be substantially customized as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognized using the percentage of completion method as the implementation services are performed.

Revenues from implementation services in respect of hosting contracts are to be recognized as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognized in accordance with percentage of completion method.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(b) Managed Services

Fees for managed services, which include business processing services, are recognized as revenue as the related services are performed.

(3) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognized on transfer of significant risks, rewards and control to the customer.

Contract assets, liabilities and financing arrangements

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue).

Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue). The unbilled royalty revenue is also grouped here.

A contract liability is an entity's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue).

The Company assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

c. Finance income

Interest on bank deposits is recognized on accrual basis.

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

d. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates as per the provisions of the Income tax Act, 1961 and other applicable tax laws. Current income tax payable by overseas branches of the Company if any is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

set off against the Indian income tax liability of the Company's worldwide income, and if not available, charged off in the profit and loss account.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognized as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

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

Deferred tax is recognized using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow, all or part of the deferred income tax asset to be utilized.

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

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

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

e. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

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

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

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

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

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Right-of-use assets

Leases

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

Ind AS 116 replaces Ind AS 17 - Leases & related interpretation & guidance. The Company has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019. The Company's lease asset classes primarily consist of leases for land, buildings and office equipments.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use ("ROU") assets

The Company recognizes right-of-use assets at the commencement date, except short term leases and low value leases. The Company's lease asset classes primarily consist of leases for Land, Buildings and Office equipments. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term. They are subsequently measured at cost less accumulated depreciation and impairment losses.

For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

b) Lease liabilities

The Company recognizes lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the initial application date i.e., April 01, 2019, because the interest rate implicit in the lease is not readily determinable. In respect of subsequent leases, the incremental borrowing rates are determined periodically, to calculate the present value of lease payments. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

d) Short term leases and leases of low-value assets

The Company applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to such leases that are considered to be of low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

Software development costs

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

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

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

Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

been classified and grouped as “Product software” under intangible assets. Similarly, costs incurred in the development of technology platform framework, which would enable the Company to provide solutions - both standard and customized - in an efficient manner, have been classified and grouped as “Technology platform” under intangible assets.

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

Patents

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

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

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

h. Borrowing costs

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

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

i. Inventories

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

j. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company’s assets. If any indication exists, an asset’s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss.

k. Provisions, contingent liabilities and contingent assets

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

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



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

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

I. Employee benefits expense

Short term employee benefits

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

Defined contribution plans

Superannuation

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

National pension system

The employees of the Company have been given an option to participate in a defined contribution plan ("National Pension System"), maintained by the fund managers approved by the Pension Fund Regulatory and Development Authority. For those who opt to participate, the Company makes contributions equal to 10% of the covered employee's basic salary. For those who do not opt to participate, an amount equivalent to the contribution determined at the

time of exercise of option is paid along with salary. The Company has no further obligation beyond its contribution / payments.

Provident fund

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

Defined benefit plans

Gratuity

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

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

Leave encashment

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

m. Financial instruments

1. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

2. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.
3. The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognized gains, losses including impairment gains or losses or interest.

Financial assets

4. Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
5. Depending on the business model (i.e.,) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
 - a) Amortized cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL).

Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

6. The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for

those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business model
Amortized cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realize its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiaries are carried at cost. The Company has opted to use the previous GAAP carrying amount as cost, as at the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Business model
Amortized cost	Trade receivables, loans and advances, deposits, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity instrument in companies other than subsidiaries as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

7. Financial assets are de-recognized (i.e.,) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also de-recognizes when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
 - a) significant risk and rewards of the financial asset, or



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

- b) control of the financial asset.

However, the Company continue to recognize the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

8. Upon de-recognition of its financial asset or part thereof, the difference between the carrying

amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the Statement of Profit and Loss.

9. For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Accordingly, the impairment testing is done on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the lifetime. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Financial liabilities

10. Financial liabilities comprises of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and Other financial liabilities.
11. The Company measures its financial liabilities as below:

Measurement basis	Names of financial liabilities
Amortized cost	Borrowings, Trade payables, Interest accrued, Security deposits and Other financial liabilities not for trading.
FVTPL	Foreign exchange forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

12. Financial liabilities are de-recognized when and only when it is extinguished (i.e.,) when the obligation specified in the contract is discharged or cancelled or expired.
13. Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognized in the Statement of Profit and Loss.

n. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into cash.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

o. Cash dividend

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

p. Cash flow statement

Cash flows are presented using indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q. Share based payments

Stock options granted to the option grantees in the Company / subsidiaries are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the options are granted. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The ex-modification fair value is recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognized over the vesting period remaining after the modification date.

Graded vesting options

If the options vest in installments (i.e., the options vest pro rata over the vesting period), then each installment is treated as a separate share option grant because each installment has a different vesting period.

r. Earnings per share (EPS)

Net profit after tax is divided by the weighted average number of equity shares outstanding.

When an item of income or expense which is otherwise required to be recognized in the statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing Earnings Per Share.

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

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

s. Operating segments

The Company's business operation comprises of single operating segment viz., Software and related solutions. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

t. Assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies Ind AS Rules as issued from time to time. On March 31, 2023, MCA amended the Companies Ind AS Amendment Rules, 2023 as detailed below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of these amendments is from April 01, 2023. The Company does not expect



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

that, these amendments will have any significant impact in its financial statements.

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

4. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

The Company has considered the possible effects that may result from the continuance of pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information from market sources on the expected future performance of the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties.

The management has applied the following estimates / assumptions / judgment in preparation and presentation of financial statements:

Property, plant and equipment (PPE) and intangible assets

The residual values and estimated useful life of PPEs and Intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate,

such recommendations are accepted and adopted for computation of depreciation / amortization / impairment.

Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgment by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred tax asset (including MAT credit entitlement)

Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment of financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

Impairment of non-financial assets (PPE / Intangible assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

Impairment of Investments in Subsidiaries / Associate

Significant management judgment is exercised in determining whether the investment in subsidiaries / associate are impaired or not, is on the basis of its nature of long term strategic investments and other business considerations.

Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Share based payments

The Company initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

Revenue recognition

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Company applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Company exercises judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit

independently from such deliverables. Judgment is also required to determine the transaction price for the contract.

The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost- plus margin approach to allocate the transaction price to each distinct performance obligation. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment or which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Rs. Mln.							Total
	Building	Laptops and desktops	Servers and networks	Furniture and fixtures	Office equipments	Electrical items	Vehicles	
Gross carrying value								
As at April 01, 2021	3.12	196.13	161.07	26.15	65.69	15.27	37.57	505.00
Additions	-	56.33	24.37	0.38	0.33	0.02	5.76	87.19
Disposals	-	(0.22)	-	(0.44)	-	(0.05)	(5.10)	(5.81)
Exchange difference	-	-	-	-	-	-	-	-
As at March 31, 2022	3.12	252.24	185.44	26.09	66.02	15.24	38.23	586.38
Additions	-	30.70	8.36	5.05	1.88	0.21	32.22	78.42
Disposals	-	(11.72)	(0.25)	(0.97)	(0.19)	(1.06)	(3.78)	(17.97)
Exchange difference	-	0.04	-	0.01	0.06	0.01	(0.01)	0.11
As at March 31, 2023	3.12	271.26	193.55	30.18	67.77	14.40	66.66	646.94
Depreciation								
As at April 01, 2021	1.99	142.14	91.34	15.48	55.05	11.09	21.41	338.50
For the year	0.05	35.36	21.37	2.27	4.86	1.01	3.50	68.42
Disposals	-	(0.22)	-	(0.13)	-	(0.05)	(2.90)	(3.30)
Exchange difference	-	-	0.01	-	-	0.01	0.01	0.03
As at March 31, 2022	2.04	177.28	112.72	17.62	59.91	12.06	22.02	403.65
For the year	0.05	45.09	22.39	2.85	3.34	0.93	4.65	79.30
Disposals	-	(11.63)	(0.25)	(0.64)	(0.18)	(0.71)	(2.56)	(15.97)
Exchange difference	-	0.04	(0.02)	-	0.08	-	(0.01)	0.09
As at March 31, 2023	2.09	210.78	134.84	19.83	63.15	12.28	24.10	467.07
Carrying value								
As at March 31, 2022	1.08	74.96	72.72	8.47	6.11	3.18	16.21	182.73
As at March 31, 2023	1.03	60.48	58.71	10.35	4.62	2.12	42.56	179.87

6. RIGHT-OF-USE ASSETS

Particulars	Rs. Mln.			Total
	Building	Land	Office equipments	
Gross carrying value				
As at April 01, 2021	623.28	19.04	4.02	646.34
Additions	1.57	-	1.54	3.11
Disposals	(0.48)	-	-	(0.48)
Exchange difference	(0.02)	-	-	(0.02)
As at March 31, 2022	624.35	19.04	5.56	648.95
Additions	225.67	-	2.24	227.91
Disposals	(43.76)	-	-	(43.76)
Exchange difference	0.06	-	0.01	0.07
As at March 31, 2023	806.32	19.04	7.81	833.17
Depreciation				
As at April 01, 2021	149.29	9.53	3.30	162.12
For the year	74.34	4.77	1.59	80.70
Disposals	(0.18)	-	-	(0.18)
Exchange difference	(0.03)	-	-	(0.03)
As at March 31, 2022	223.42	14.30	4.89	242.61
For the year	84.07	4.74	1.53	90.34
Disposals	(24.23)	-	-	(24.23)
Exchange difference	0.07	-	0.01	0.08
As at March 31, 2023	283.33	19.04	6.43	308.80
Carrying value				
As at March 31, 2022	400.93	4.74	0.67	406.34
As at March 31, 2023	522.99	-	1.38	524.37

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

7. INTANGIBLE ASSETS

Particulars	Technology platform	Product software	Patents	Computer software	Rs. Mln.
					Total
Gross carrying value					
As at April 01, 2021	1,793.17	5,083.46	14.23	206.16	7,097.02
Additions	120.99	607.44	-	55.12	783.55
Deletions	-	-	-	-	-
As at March 31, 2022	1,914.16	5,690.90	14.23	261.28	7,880.57
Additions	215.43	817.56	-	50.66	1,083.65
Deletions	-	-	-	-	-
Exchange difference	-	-	-	-	-
As at March 31, 2023	2,129.59	6,508.46	14.23	311.94	8,964.22
Amortization					
As at April 01, 2021	1,199.90	3,104.59	12.47	154.68	4,471.64
For the year	115.84	368.57	0.57	60.42	545.40
Impairment loss	-	4.11	-	-	4.11
Exchange difference	-	-	-	-	-
As at March 31, 2022	1,315.74	3,477.27	13.04	215.10	5,021.15
For the year	116.26	388.27	0.45	57.66	562.64
Impairment loss	-	6.91	-	-	6.91
Exchange difference	-	-	-	(0.01)	(0.01)
As at March 31, 2023	1,432.00	3,872.45	13.49	272.75	5,590.69
Carrying value					
As at March 31, 2022	598.42	2,213.63	1.19	46.18	2,859.42
As at March 31, 2023	697.59	2,636.01	0.74	39.19	3,373.53

Financials of research and development activities (R&D), based on separate books of accounts maintained are separately enclosed.

FINANCIAL ASSETS

8.1 INVESTMENT IN SUBSIDIARIES

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Equity investments in subsidiaries measured at cost, long term, trade, unquoted		
192,729,550 Shares in Ramco Systems Corporation, USA of paid-up value of USD 0.0145 each (as at March 31, 2022 192,729,550 Shares @ USD 0.0145 each)	743.41	743.41
1,400,000 Shares in Ramco Systems Ltd., Switzerland of face value of CHF 1 each (as at March 31, 2022 1,400,000 Shares @ CHF 1 each)	441.70	441.70
31,135,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at March 31, 2022 31,135,000 Shares @ SGD 1 each)	1,511.74	1,511.74
1,280,000 Shares in Ramco Systems Sdn. Bhd., Malaysia of face value of RM 1 each (as at March 31, 2022 1,280,000 Shares @ RM 1 each)	18.22	18.22
5,805,030 Shares in RSL Enterprise Solutions (Pty) Ltd., South Africa of face value of ZAR 1 each (as at March 31, 2022 9,675,050 Shares @ ZAR 1 each)	31.41	52.00
50 Shares in Ramco Systems FZ-LLC, Dubai of AED 1000 each (as at March 31, 2022 50 Shares @ AED 1000 each)	0.62	0.62
21,418,000 Shares in Ramco Systems Australia Pty Ltd., Australia of AUD 1 each (as at March 31, 2022 16,393,000 Shares @ AUD 1 each)	1,063.17	795.24



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

8.1 Investment in Subsidiaries (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
100,000 Shares in R S L Software Co. Ltd., Sudan of SDG 1 each (as at March 31, 2022 100,000 Shares @ SDG 1 each)	2.08	2.08
11,750,000 Shares in Ramco System Inc., Philippines of face value of PHP 1 each (as at March 31, 2022 11,750,000 Shares @ PHP 1 each)	17.44	17.44
1,000,000 Shares in Ramco Systems (Shanghai) Co. Ltd., China of face value of CNY 1 each (as at March 31, 2022 1,000,000 Shares @ CNY 1 each)	10.41	10.41
7,945,900 Shares in Ramco System Vietnam Company Limited, Vietnam of face value of VND 1000 each (as at March 31, 2022 7,945,900 Shares @ VND 1000 each)	23.91	23.91
10,625,000 Shares in PT Ramco Systems Indonesia, Indonesia of face value of IDR 1000 each (as at March 31, 2022 10,625,000 Shares @ IDR 1000 each)	55.40	55.40
9,500,000 Shares in Ramco Software Japan Limited, Japan of face value of JPY 1 each (as at March 31, 2022 9,500,000 Shares @ JPY 1 each)	6.42	6.42
	3,925.93	3,678.59
Aggregate value of unquoted investments	3,925.93	3,678.59
Aggregate amount of impairment in value of investments	-	-

Note:

- Movement in investment in RSL Enterprise Solutions (Pty) Ltd., South Africa represents buy back of 3,870,020 equity shares by that subsidiary at ZAR 1 each amounting to Rs.20.59 Mln. (ZAR 3.87 Mln.). There is no profit/loss arising out of this transaction in the books except on account of exchange fluctuation. (PY buy back of 9,675,050 equity shares by that subsidiary at ZAR 1 each amounting to Rs.47.02 Mln. (ZAR 9.68 Mln.)).
- Movement in investment in Ramco Systems Australia Pty Ltd., Australia represents conversion of loan of Rs.267.93 Mln. (AUD 5.03 Mln.) to equity (PY Nil).
- Investments in the subsidiaries incorporated during the year - Ramco Middle East for Information Technology, Saudi Arabia and Ramco System LLC, Qatar - have yet to be made.

8.2 INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Non-current		
Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)		
2,335 Shares in SmartMegh Solutions Private Limited, India of face value of Rs.10 each (as at March 31, 2022 2,335 Shares @ Rs.10 each)	15.00	15.00
Less: Allowance for impairment loss	15.00	-
	-	15.00
Aggregate value of unquoted investment	15.00	15.00
Aggregate amount of impairment in value of investment	15.00	-
Current		
Investments (designated at FVTPL)		
Investment in Mutual Funds*	100.31	-
	100.31	-
Aggregate value of quoted investments	100.31	-
Aggregate amount of impairment in value of investments	-	-

* represents the market value of the investment made out of the surplus from the proceeds of Preferential Issue 2022, temporarily parked pending utilization towards the objects of the issue.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

9.1 LOANS

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Current		
Unsecured, considered good		
Loans receivables - subsidiaries	128.87	773.01

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

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

The percentage of loans receivables from subsidiaries to the total outstanding is 100% during the current and previous year.

There are no loans or advances in the nature of loans, granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment, other than to the subsidiaries as disclosed above.

9.2 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Non-current		
Unsecured, considered doubtful		
Trade receivables - other than related parties	85.36	51.35
	85.36	51.35
Less: Allowance for impairment loss	85.36	51.35
	-	-
Current		
Unsecured, considered good		
Trade receivables - subsidiaries (refer note no.26)	519.57	299.61
Trade receivables - other related parties	23.45	14.59
Trade receivables - other than related parties	325.23	398.52
	868.25	712.72
Less: Allowance for impairment loss	24.04	19.77
	844.21	692.95

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note no.26.

Trade receivables - other than related parties are non-interest bearing and are normally on terms of 30 to 120 days, except the contracts which are entered with deferred credit terms.

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



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

9.2 Trade receivables (Contd.)

Trade receivables ageing schedule

Rs. Mln.

Particulars	As at March 31, 2023							Unbilled revenue (refer note no. 9.5)
	Outstanding for following periods from due date of payment							
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
Non-current								
i) Undisputed trade receivables – considered good	-	-	-	-	-	-	-	233.06
ii) Undisputed trade receivables – considered doubtful	0.01	-	0.29	4.51	9.18	55.73	69.72	60.32
iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	15.64	15.64	-
	0.01	-	0.29	4.51	9.18	71.37	85.36	293.38
Less: Allowance for impairment loss							85.36	74.22
							-	219.16
Current								
i) Undisputed trade receivables – considered good	711.31	113.62	17.76	12.62	3.34	9.60	868.25	156.20
ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-
iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
	711.31	113.62	17.76	12.62	3.34	9.60	868.25	156.20
Less: Allowance for impairment loss							24.04	2.32
							844.21	153.88

Rs. Mln.

Particulars	As at March 31, 2022							Unbilled revenue (refer note no. 9.5)
	Outstanding for following periods from due date of payment							
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
Non-current								
i) Undisputed trade receivables – considered good	-	-	-	-	-	-	-	196.14
ii) Undisputed trade receivables – considered doubtful	-	0.35	0.25	0.86	0.97	33.28	35.71	41.63
iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	15.64	15.64	-
	-	0.35	0.25	0.86	0.97	48.92	51.35	237.77
Less: Allowance for impairment loss							51.35	42.32
							-	195.45
Current								
i) Undisputed trade receivables – considered good	495.85	60.29	20.50	113.94	12.78	9.36	712.72	274.55
ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-
iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-	-
	495.85	60.29	20.50	113.94	12.78	9.36	712.72	274.55
Less: Allowance for impairment loss							19.77	9.33
							692.95	265.22

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

9.3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Cash on hand	0.20	0.07
Balances with Banks	63.97	30.82
	64.17	30.89

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

9.4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Fixed deposits with Banks*	467.39	-
Balance with Bank in Unspent CSR account (refer note no.25)	7.38	-
	474.77	-

* represents the investment made out of the surplus from the proceeds of Preferential Issue 2022, temporarily parked, pending utilization towards the objects of the issue and interest accrued thereon.

9.5 OTHER FINANCIAL ASSETS

Non-current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	198.52	131.23
Unbilled royalty revenue - subsidiaries (refer note no.26)	34.54	64.91
Security deposit	29.77	18.70
Employee advances	0.05	0.05
Unsecured, considered doubtful		
Unbilled license revenue - other than related parties	60.32	41.63
	323.20	256.52
Less: Allowance for impairment loss	74.22	42.32
	248.98	214.20
Current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	84.31	195.65
Unbilled royalty revenue - subsidiaries (refer note no.26)	71.89	78.90
Security deposit	0.75	1.40
Employee advances	11.74	8.52
Foreign currency forward contract	-	0.01
Bank deposits held as margin money	3.09	3.09
Balance with Banks in share issue accounts	0.09	0.08
	171.87	287.65
Less: Allowance for impairment loss	2.32	9.33
	169.55	278.32



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

10. TAXES

(a) Deferred tax (asset) / liability

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	938.47	794.69	143.78	60.25
Tax impact on unutilized carry forward losses	(691.10)	(357.67)	(333.43)	(61.81)
Tax effect of provision for gratuity	(5.14)	(6.02)	0.88	(1.60)
Tax effect of provision for compensated absences	(24.34)	(20.53)	(3.81)	(0.88)
Tax effect of provision for bad and doubtful debts / advances	(90.32)	(60.50)	(29.82)	(21.30)
Tax impact on all other items	(61.74)	(68.09)	6.35	(59.66)
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	1.42	4.45	(3.03)	(3.55)
Deferred tax (asset) / liability (net)	67.25	286.33		
Deferred tax (income) / expense (net)			(219.08)	(88.55)

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

Particulars	Balance sheet as at	
	March 31, 2023	March 31, 2022
i) Deferred tax (asset) / liability		
Opening balance	286.33	374.88
Deferred tax (income) / expense during the year recognized in Statement of Profit and Loss	(216.05)	(85.00)
Deferred tax (income) / expense during the year recognized in OCI	(3.03)	(3.55)
Closing balance	67.25	286.33
ii) MAT credit		
Opening balance	(683.61)	(683.61)
MAT credit for the current / previous year(s)	-	-
Closing balance	(683.61)	(683.61)
iii) Provision for MAT credit *		
Opening balance	437.80	437.80
Provision for the current / previous year(s)	81.39	-
Closing balance	519.19	437.80
Total deferred tax (asset) / liability (i + ii + iii)	(97.17)	40.52

* represents provision for MAT credit created by the utilization of foreign WHT for the discharge of MAT liability, which is denied by virtue of insertion of proviso to sub section 2A of section 115JAA of the Income Tax Act, 1961. The Company had filed a Writ petition challenging the said proviso in the Honorable High Court of Madras and provision for un-utilizable MAT credit. The Company will continue to make provision for such MAT credit availed, until disposal of the case.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

10. Taxes (Contd.)

(c) Components of tax expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
i) Statement of profit and loss		
Current tax		
Current Income Tax charge (including MAT)	3.21	1.09
Deferred tax		
Relating to the origination and reversal of temporary differences	(216.05)	(85.00)
MAT credit for the current / previous year(s)	-	-
Provision for MAT credit (refer note no.10(b)(iii) above)	81.39	-
Total tax (income) / expense reported in statement of profit and loss	(131.45)	(83.91)
ii) Other comprehensive income (OCI)		
Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations	(3.03)	(3.55)
Total tax (income) / expense	(3.03)	(3.55)
iii) Total tax (income) / expense reported in the total comprehensive income	(134.48)	(87.46)

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarized below:

Accounting profit / (loss) before tax	(1,261.50)	(583.62)
Less: Adjustment from carry forward losses / non-taxable loss	(1,261.50)	(583.62)
Corporate tax rate %	29.12%	29.12%
Computed tax expense	-	-
Increase / (reduction) in taxes on account of:		
MAT on above mentioned accounting profit before tax	-	-
Branch tax for which no credit availed	3.21	1.09
	3.21	1.09
Deferred tax income / (expense) recognition during the year	(216.05)	(85.00)
MAT credit for the current / previous year(s)	-	-
Provision for MAT credit (refer note no.10(b)(iii) above)	81.39	-
Tax (income) / expense reported in the statement of profit and loss	(131.45)	(83.91)
Tax (income) / expense reported in the other comprehensive income	(3.03)	(3.55)



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

11. OTHER ASSETS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. Mln.	Rs. Mln.
Non-current		
Unsecured, considered good		
Prepaid expenses	0.79	3.44
Advance to suppliers and service providers #	72.56	68.00
Unbilled services revenue	-	2.07
Unsecured, considered doubtful		
Unbilled services revenue	36.95	11.00
	110.30	84.51
Less: Allowance for impairment loss	109.27	71.96
	1.03	12.55
Current		
Unsecured, considered good		
Prepaid expenses	66.82	61.84
Advance to suppliers and service providers *#	1.63	8.60
Unbilled services revenue	297.98	329.70
Statutory advances	178.60	104.30
	545.03	504.44
Less: Allowance for impairment loss	14.96	13.04
	530.07	491.40

* Includes prepayment to Gratuity fund Nil (PY Nil) (refer note no.20.1).

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

12. EQUITY SHARE CAPITAL

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. Mln.	Rs. Mln.
Authorized share capital		
50,000,000 (as at March 31, 2022 - 50,000,000) Equity Shares of Rs.10 each	500.00	500.00
Issued and subscribed capital		
35,576,934 (as at March 31, 2022 - 31,163,099) Equity Shares of Rs.10 each	355.77	311.63
Paid-up capital		
35,227,756 (as at March 31, 2022 - 30,813,921) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs. 353,890 (PY Rs. 353,890) for 349,178 shares)	352.63	308.49
	352.63	308.49

12.1 The reconciliation of share capital for the year

Particulars	FY 2022-23		FY 2021-22	
	No. of shares	Rs. Mln.	No. of shares	Rs. Mln.
At the beginning of the year	30,813,921	308.49	30,714,082	307.49
Allotment under employee stock option schemes	34,274	0.34	99,839	1.00
Allotment under preferential issue 2022	4,379,561	43.80	-	-
At the end of the year	35,227,756	352.63	30,813,921	308.49

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

12.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as equity shares having a par value of Rs.10 each. The holders of equity shares are entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3 Shareholders holding more than 5 percent in the shares of the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Mr. P R Venketrama Raja	3,353,366	9.52	3,353,366	10.88
Ramco Industries Limited	7,109,711	20.18	5,467,376	17.74
The Ramco Cements Limited	5,417,810	15.38	5,417,810	17.58
HDFC Trustee Company Limited - HDFC Flexi Cap Fund & A/C HDFC Balanced Advantage Fund	2,161,070	6.13	2,161,070	7.01

12.4 Other details

Number of non-resident shareholders	623		675	
Number of shares held by the non-resident shareholders	427,874		521,383	
Dividend remitted in foreign currency	Nil		Nil	

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

The Company has formulated various Employee Stock Option Schemes ("ESOS"), and the summary of pending is provided below:

Name of ESOS	Exercise price (Rs.)	As at March 31, 2023		As at March 31, 2022	
		Outstanding nos.	Value Rs. Mln.	Outstanding nos.	Value Rs. Mln.
ESOS 2008	51	20,218	1.03	28,023	1.43
	83	431	0.04	431	0.04
	230	11,540	2.65	11,540	2.65
	194	17,835	3.46	17,835	3.46
ESOS 2009 - Plan A	90	12,406	1.12	13,917	1.25
	110	9,440	1.04	9,440	1.04
	356	63,625	22.65	73,625	26.21
ESOS 2009 - Plan B	90	30,008	2.70	40,332	3.63
	10	19,375	0.19	22,375	0.22
	356	27,343	9.73	51,093	18.19
ESOS 2013	356	46,097	16.41	49,597	17.66
	155	127,967	19.83	136,215	21.11
	10	116,809	1.17	6,809	0.07
	160	112,500	18.00	-	-
	482	31,941	15.40	31,941	15.40
	250	4,250	1.06	9,250	2.31
	426	-	-	2,500	1.07
	462	5,000	2.31	5,000	2.31
	340	8,000	2.72	13,000	4.42
	679	12,500	8.49	17,500	11.88
	307	2,250	0.69	2,250	0.69
613	1,875	1.15	1,875	1.15	



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

Name of ESOS	Exercise price (Rs.)	As at March 31, 2023		As at March 31, 2022	
		Outstanding nos.	Value Rs. Mln.	Outstanding nos.	Value Rs. Mln.
ESOS 2014	1,066	-	-	6,250	6.66
	533	-	-	12,500	6.66
	399	-	-	5,000	2.00
	797	-	-	2,500	1.99
	345	5,000	1.73	5,000	1.73
	690	2,500	1.73	2,500	1.73
	10	333,076	3.33	50,335	0.50
	129	22,500	2.90	-	-
	160	292,500	46.80	-	-
	258	11,250	2.90	-	-
	377	5,775	2.18	6,775	2.55
	513	1,250	0.64	1,250	0.64
	753	4,750	3.58	5,250	3.95
	184	5,000	0.92	5,000	0.92
	193	-	-	10,000	1.93
	228	17,500	3.99	17,500	3.98
	277	7,000	1.94	7,376	2.04
	367	2,500	0.92	2,500	0.92
	385	-	-	5,000	1.93
	427	1,250	0.53	1,250	0.53
	455	8,750	3.98	8,750	3.97
	553	5,000	2.77	6,250	3.46
	163	5,000	0.82	5,000	0.82
	186	2,500	0.47	2,500	0.47
	326	2,500	0.82	2,500	0.82
	372	1,250	0.47	1,250	0.47
	181	5,000	0.91	5,000	0.91
361	2,500	0.90	2,500	0.90	
290	5,000	1.45	5,000	1.45	
580	2,500	1.45	2,500	1.45	
ESOS 2022	10	455,500	4.56	-	-
	160	455,500	72.88	-	-
		2,344,261	297.41	731,784	191.57

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

12.6 Shares held by promoters (including promoter group)

Sl. no.	Name	As at March 31, 2023		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	9.52	(1.36)
2	Mrs. R Sudarsanam	290,615	0.82	(0.12)
3	Mrs. S Saradha Deepa	237,576	0.67	(0.10)
4	Mrs. R Nalina Ramalakshmi	322,649	0.92	(0.13)
5	Mrs. P V Nirmala	17,902	0.05	(0.01)
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.31	(0.05)
7	Mrs. B Srisandhya Raju	110,670	0.31	(0.05)
8	Mrs. R Chittammal	77,060	0.23	(0.03)

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

12.6 Shares held by promoters (including promoter group) (Contd.)

Sl. no.	Name	As at March 31, 2023		
		No. of shares	% of total shares	% Change during the year
9	The Ramco Cements Limited	5,417,810	15.38	(2.20)
10	Ramco Industries Limited	7,109,711	20.18	2.44
11	Rajapalayam Mills Limited	733,531	2.08	(0.30)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.61	(0.23)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	0.01	-
16	Ramco Management Private Limited	300	-	-
		18,367,184	52.14	(2.12)

Sl. no.	Name	As at March 31, 2022		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	10.88	(0.04)
2	Mrs. R Sudarsanam	290,615	0.94	-
3	Mrs. S Saradha Deepa	237,576	0.77	-
4	Mrs. R Nalina Ramalakshmi	322,649	1.05	-
5	Mrs. P V Nirmala	17,902	0.06	-
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-
7	Mrs. B Srisandhya Raju	110,670	0.36	-
8	Mrs. R Chittammal	77,060	0.25	-
9	The Ramco Cements Limited	5,417,810	17.58	(0.06)
10	Ramco Industries Limited	5,467,376	17.74	(0.06)
11	Rajapalayam Mills Limited	733,531	2.38	(0.01)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.84	(0.01)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	0.01	-
16	Ramco Management Private Limited	300	-	-
		16,724,849	54.28	(0.17)

12.7 Money received against share warrants

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Min.	Rs. Min.
Money received against share warrants	100.00	-
	100.00	-

Money received against share warrants represents amounts received towards warrants which entitles the warrant holder the option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each.

The Company has on February 01, 2023 allotted to Mr. P R Venketrama Raja 1,459,854 warrants at a price of Rs.274 (including premium of Rs.264) each, entitling him for subscription of equivalent number of equity shares of Rs.10 each under Regulation 28(1) of the SEBI (LODR), Regulations, 2015, upon receipt of Rs.100 Min. being 25% of the total price of the warrants. The warrants shall be convertible into Equity Shares, in one or more tranches, within a period of 18 months from the date of allotment, failing which the amount paid shall be forfeited and all the rights attached to the said warrants shall lapse automatically.



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

13. OTHER EQUITY

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. Mln.	Rs. Mln.
Securities premium	7,842.33	6,675.74
Employee stock options outstanding	388.80	198.48
Retained earnings	(32.47)	1,104.96
Currency translation reserve	(74.94)	(39.46)
Fair value gain / (loss) on equity instruments through OCI	(15.00)	-
Money received against share warrants (refer note no. 12.7)	100.00	-
	8,208.72	7,939.72

Refer statement of changes in equity for movement.

Nature and purpose of reserves

Securities premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued, to the extent they are exercised.

Employee stock options outstanding

The share options outstanding account represents the grant date fair value of outstanding options issued to employees under various employees stock option schemes of the Company.

Retained earnings

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

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e., Currency Units) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operation.

Fair value gain / (loss) on equity instruments through OCI

The Company has opted to recognize the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to retained earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognized.

FINANCIAL LIABILITIES

14.1 BORROWINGS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. Mln.	Rs. Mln.
Current		
Loans from Banks, secured		
IDBI Bank Limited	80.00	-
Term loans from banks, unsecured		
Axis Bank Limited	150.00	-
Kotak Mahindra Bank Limited	150.00	-
	380.00	-

The Company had availed borrowing facilities from Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, ICICI Bank Limited and HDFC Bank Limited and also had repayments during the year. The borrowings were in the form of Term Loan, Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WC DL) and Cash Credit. The interest rates on the borrowings during the year from Banks, ranged from 1.28% p.a. to 9.10% p.a. (PY 0.50% p.a. to 7.66% p.a.).

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

14.1 Borrowings (Contd.)

1. Loans from Banks, secured

- a. Borrowing facilities from Axis Bank Limited are secured by pari passu first charge on the current assets, both present and future of the Company. Borrowing facilities from IDBI Bank Limited are secured by pari passu first charge on the receivables (i.e., trade receivables, both current and non-current), both present and future of the Company.
- b. With respect to the borrowings from banks on the basis of security, the periodical returns / statements filed by the Company with banks are in agreement with the books of accounts.

2. Term loans from Banks, unsecured

Name of the Bank	No. of quarterly instalments (starting after 12 months from the date of first disbursement)	Interest rate linked to	Rate of interest	Rs. Mln.	Drawn on
Axis Bank Limited	12	12 months MCLR	8.75%	150.00	December 30, 2022
Kotak Mahindra Bank Limited	8	Repo rate	8.85% to 9.10%	150.00	January 25, 2023

The above Term Loans have been prepaid on April 03, 2023 without any prepayment charges. Accordingly, the above term loans have been considered current.

14.2 LEASES

The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019, using the modified retrospective approach. The Company has lease contracts for various items of Building, Land and Office equipments used in its operations. There are several lease contracts that include extension and termination options and variable lease payments.

Disclosures in respect of leases are given below:

- a) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2023 are as follows: **Rs. Mln.**

Particulars	Building	Land	Office equipments	Total
As at April 01, 2022	400.93	4.74	0.67	406.34
Additions during the year	225.67	-	2.24	227.91
Deletions during the year - net	(19.53)	-	-	(19.53)
Depreciation charge for the year	(84.07)	(4.74)	(1.53)	(90.34)
Foreign exchange	(0.01)	-	-	(0.01)
As at March 31, 2023	522.99	-	1.38	524.37

- b) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2022 are as follows: **Rs. Mln.**

Particulars	Building	Land	Office equipments	Total
As at April 01, 2021	473.99	9.51	0.72	484.22
Additions during the year	1.57	-	1.54	3.11
Deletions during the year - net	(0.30)	-	-	(0.30)
Depreciation charge for the year	(74.34)	(4.77)	(1.59)	(80.70)
Foreign exchange	0.01	-	-	0.01
As at March 31, 2022	400.93	4.74	0.67	406.34

**Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)****14.2 Leases (Contd.)**

c) The movement in lease liabilities during the year ended March 31, 2023 are as follows: Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2022	454.14	5.94	0.66	460.74
Additions during the year	225.61	-	2.24	227.85
Deletions during the year	(25.45)	-	-	(25.45)
Interest expense	44.83	0.27	0.03	45.13
Lease payments	(117.43)	(6.21)	(1.54)	(125.18)
Foreign exchange	0.04	-	-	0.04
As at March 31, 2023	581.74	-	1.39	583.13

d) The movement in lease liabilities during the year ended March 31, 2022 are as follows: Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2021	515.58	11.25	0.69	527.52
Additions during the year	1.57	-	1.54	3.11
Deletions during the year	(0.30)	-	-	(0.30)
Interest expense	43.90	0.80	0.03	44.73
Lease payments	(106.63)	(6.11)	(1.60)	(114.34)
Foreign exchange	0.02	-	-	0.02
As at March 31, 2022	454.14	5.94	0.66	460.74

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current	81.14	66.81
Non-current	501.99	393.93
	583.13	460.74

e) The following are the amounts recognized in profit and loss account for the year ended: Rs. Mln.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	90.34	80.70
Interest expense on lease liabilities	45.13	44.73
Expense relating to short term leases (included in Other expenses)	2.57	4.01
Variable lease payments (included in Other expenses)	1.27	-
Rent concessions	(1.92)	(4.16)
(Gain) / loss on lease termination	(5.92)	(0.01)
Total amount recognized in profit and loss account	131.47	125.27

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

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

14.2 Leases (Contd.)

f) The Company had total cash outflows (lease payments for ROU, variable lease, short term lease, net of rent concessions) for leases during the year ended March 31, 2023 of Rs.127.10 Mln. (PY Rs.114.19 Mln.).

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

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	126.29	105.27
1 to 5 years	450.59	436.13
More than 5 years	177.67	66.55
	754.55	607.95

14.3 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Non-current		
Total outstanding dues of creditors, other than micro and small enterprises	33.38	31.76
	33.38	31.76
Current		
Total outstanding dues of micro and small enterprises	20.16	26.52
	20.16	26.52
Total outstanding dues of creditors, other than micro and small enterprises		
Trade payables - subsidiaries (refer note no.26)	200.65	92.97
Trade payables - other related parties (refer note no.26)	-	7.09
Trade payables - others	247.43	303.56
	448.08	403.62

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

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006 ("MSME")	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.		Rs. Mln.	
	Principal	Interest	Principal	Interest
Amount due	20.16	-	26.52	-
Principal amount paid (includes unpaid) beyond the appointed date	NA	-	NA	-
Interest due and payable for the year	NA	-	NA	-
Interest accrued and remaining unpaid (includes interest disallowable of Nil (PY Nil))	NA	-	NA	-
Interest disallowable under section 23 of the MSME Act, 2006.	NA	-	NA	-



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

14.3 Trade payables (Contd.)

Trade payables ageing schedule

Rs. Mln.

Particulars	As at March 31, 2023						Total
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Non-current							
i) MSME	-	-	-	-	-	-	-
ii) Others	33.38	-	-	-	-	-	33.38
iii) Disputed dues - MSME	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-
	33.38	-	-	-	-	-	33.38
Current							
i) MSME	-	20.16	-	-	-	-	20.16
ii) Others	150.73	167.30	130.05	-	-	-	448.08
iii) Disputed dues - MSME	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-
	150.73	187.46	130.05	-	-	-	468.24

Rs. Mln.

Particulars	As at March 31, 2022						Total
	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Non-current							
i) MSME	-	-	-	-	-	-	-
ii) Others	31.76	-	-	-	-	-	31.76
iii) Disputed dues - MSME	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-
	31.76	-	-	-	-	-	31.76
Current							
i) MSME	-	26.33	0.19	-	-	-	26.52
ii) Others	201.12	134.60	67.90	-	-	-	403.62
iii) Disputed dues - MSME	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-
	201.12	160.93	68.09	-	-	-	430.14

14.4 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Mln.	Rs. Mln.
Current		
Capital creditors	1.13	17.64
Rental advances	0.30	0.30
Foreign currency forward contract	-	0.21
Employee welfare payables	2.54	2.54
	3.97	20.69

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

15. PROVISIONS

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Rs. Min.	Rs. Min.
Non-current		
Provision for gratuity (refer note no.20.1)	0.86	0.72
Provision for leave encashment and other retirals (refer note no.15.1)	77.15	65.60
	78.01	66.32
Current		
Provision for gratuity (refer note no.20.1)	11.89	4.65
Provision for leave encashment and other retirals (refer note no.15.1)	6.43	4.90
	18.32	9.55

15.1 The Company provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

Liability carried in the Balance Sheet:

Leave encashment provision as per actuarial valuation	75.23	62.02
Leave encashment fixed commitment	8.18	8.41
Leave encashment provision by overseas branches	0.17	0.07
	83.58	70.50

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

Opening balance	62.02	58.49
Current service cost	6.04	5.49
Interest cost	3.99	3.58
Actuarial (gains) / losses	11.35	4.00
Benefits paid	(8.17)	(9.54)
Closing balance	75.23	62.02

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

	Rs. Min.	
Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Costs accrued as per actuarial valuation	21.38	13.07
Costs accrued by overseas branches - net of reversals	0.15	(0.01)
	21.53	13.06

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

Current service cost	6.04	5.49
Interest on obligation	3.99	3.58
Net actuarial (gains) / losses	11.35	4.00
Net cost recognized	21.38	13.07



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

16. OTHER LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Min.	Rs. Min.
Non-current		
Unearned revenue	1.55	9.96
Advance from customers - others	9.06	8.38
	10.61	18.34
Current		
Unearned revenue	267.24	164.94
Statutory dues payable	78.74	60.69
Expenses payable	107.04	74.92
Contract obligation	159.27	122.27
Advance from customers - related parties	1.46	20.63
Advance from customers - others	1.45	1.34
	615.20	444.79

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

17. REVENUE FROM OPERATIONS - DISAGGREGATED

17.1 Product wise revenue

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Min.	Rs. Min.
Revenue from software products	1,090.95	1,198.67
Revenue from software services	1,381.31	1,588.90
Revenue from resale of software and hardware materials	5.89	8.35
	2,478.15	2,795.92

17.2 Geography wise revenue

Americas	344.35	392.12
Europe	212.28	272.62
APAC	654.18	623.98
India	989.11	1,173.63
Middle East and Africa	278.22	333.57
	2,478.15	2,795.92

17.3 Business unit wise revenue

ERP	798.32	1,127.16
HRP	1067.66	954.74
Aviation	612.17	714.02
	2,478.15	2,795.92

17.4 Ind AS 115 - revenue from contract with customers

The Company derives revenue from Software Solutions & Services. The accounting policies are mentioned in note no.3.1.b.

Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by various factors including termination,

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

17.4 Ind AS 115 - revenue from contract with customers (Contd.)

changes in scope of contracts, adjustments for revenue that are not materialized and adjustments for currency. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the following:

- the remaining performance obligations for contracts where revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date including time and material, support service and subscription contracts and
- the remaining performance obligations in respect of other contracts, since those performance obligations have an original expected duration of one year or less in most of the cases.

During the year ended March 31, 2023, the Company recognized revenue of Rs.152.70 Mln. (PY Rs.177.10 Mln.) arising from opening unearned revenue of Rs.174.90 Mln. (PY Rs.195.42 Mln.) as at April 01, 2022.

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
Contract price	2,478.15	2,796.54
Reduction towards implied financing component	-	(0.62)
Revenue recognized	2,478.15	2,795.92

18. FINANCE INCOME

Interest income - loan to subsidiaries (refer note no.26)	35.26	71.01
Interest income - other than related parties	15.41	31.27
	50.67	102.28

19. OTHER INCOME

Profit on sale of property, plant and equipments	0.75	0.03
Gain on termination of leased assets	5.92	0.01
Other income	3.08	1.84
	9.75	1.88

20. EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	1,595.77	1,469.05
Share based payments	200.05	(14.81)
Contribution to provident and other funds	85.98	72.45
Gratuity and other retirals (refer note no.20.1)	47.40	42.39
Staff welfare	36.94	22.07
	1,966.14	1,591.15

20.1 AS PER IND AS 19, THE DISCLOSURES PERTAINING TO EMPLOYEE BENEFITS ARE GIVEN BELOW:

Defined contributions by the employer:

Provident fund, EDLI, ESI maintained by the Government	85.98	72.45
Superannuation fund	16.41	15.54
National pension system	4.89	3.73
Other pension schemes by overseas branches	0.58	0.65



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

20.1 As per Ind AS 19, the disclosures pertaining to employee benefits (Contd.)

Defined benefit plan contributions by the employer:

Particulars	FY 2022-23	FY 2021-22
	Rs. Mln.	Rs. Mln.
Gratuity fund, including adjustments based on actuarial valuation	25.19	22.25
Gratuity commitment by overseas branches	0.33	0.22

The movement in gratuity (the defined benefit plan) is given below:

Current service cost	25.85	23.68
Interest on obligation	15.58	13.37
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	(16.24)	(14.80)
Net cost recognized in the statement of profit and loss	25.19	22.25
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	(3.55)	(0.55)
Actuarial (gains) / losses	13.95	12.73
Net (gain) / loss recognized in the other comprehensive income	10.40	12.18

Movements in the present value of the defined benefit obligation in the current and previous year were as follows:

Opening defined benefit obligation	237.12	214.19
Current service cost	25.84	23.68
Interest cost	15.58	13.37
Actuarial (gains) / losses	13.95	12.73
Benefits paid	(21.27)	(26.85)
Closing defined benefit obligation	271.22	237.12

Movements in the present value of the plan assets in the current and previous year were as follows:

Opening fair value of plan assets	232.49	227.26
Expected return on plan assets	16.24	14.80
Actuarial (gains) / losses	3.55	0.55
Contributions from the employer	28.33	16.73
Benefits paid	(21.27)	(26.85)
Closing fair value of plan assets	259.34	232.49

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans are as follows:

Present value of funded defined benefit obligation	271.22	237.12
Less: Fair value of plan assets	259.34	232.49
Present value of funded defined benefit obligations / (asset)	11.88	4.63
Gratuity liability maintained by overseas branches	0.87	0.74
Investment details:		
Funds with LIC	259.34	232.49

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Discount rate	7.30%	6.88%
Future salary increase	9.00%	8.00%

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

20.1 As per Ind AS 19, the disclosures pertaining to employee benefits (Contd.)

A quantitative sensitivity analysis for significant assumptions are below:

Particulars	For the year ended March 31, 2023			
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(12.63)	13.58	13.56	(12.73)

Particulars	For the year ended March 31, 2022			
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(11.42)	12.30	12.35	(11.58)

The sensitivity analysis given above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected benefit payouts to the defined benefit plan in future years:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
Within the next 12 months (next annual reporting period)	11.00	7.51
1 - 2 years	18.26	13.45
2 - 3 years	12.32	15.29
3 - 4 years	19.29	14.39
4 - 5 years	24.26	16.28
Beyond 5 years	145.86	118.25
Total expected payments	230.99	185.17

21. FINANCE COSTS

Interest on loans	40.27	1.12
Interest on leased assets	45.13	44.73
Interest others	-	0.29
Other finance cost on loans	1.94	0.67
	87.34	46.81

22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	79.30	68.42
Depreciation on leased assets	90.34	80.70
Amortization of intangible assets	562.64	545.40
Impairment of intangible assets	6.91	4.11
	739.19	698.63



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

23. OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Min.	Rs. Min.
Advertisement and sales promotion	87.50	73.66
Bank charges	2.79	2.08
Bad debts / provision for doubtful debts & advances, net	109.22	281.43
Consultancy charges	41.13	52.65
Corporate social responsibility expenditure	6.03	14.43
Foreign exchange fluctuation, net	(86.94)	(45.02)
Insurance	16.06	14.34
Loss on sale of property, plant and equipment	1.37	0.71
Office maintenance	17.02	15.29
Outsourcing costs	259.84	238.97
Power & fuel	25.29	18.03
Printing & stationery	1.12	1.26
Postage, telephone and communication	38.93	40.96
Rent	148.77	116.85
Repairs - building	8.57	3.39
Repairs - plant and machinery	60.87	78.31
Repairs - others	7.57	10.52
Rates and taxes	90.93	89.40
Sales commission and other selling expenses	5.83	19.59
Software subscription and maintenance	22.96	8.48
Travelling and conveyance	76.29	39.50
Miscellaneous expenses	63.96	67.25
	1,005.11	1,142.08

23.1 Movement in provision for doubtful debts & advances

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Min.	Rs. Min.
Balance at the beginning	207.76	134.60
Provisions for the year	109.22	281.43
Translation differences	1.14	0.20
Provision utilized for write off	(7.95)	(208.47)
Balance at the end	310.17	207.76

Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Min.	Rs. Min.
Provisions for the year	109.22	281.43
Provision utilized for write off reversed to P&L	(7.95)	(208.47)
Amounts written off	7.95	208.47
Bad debts / provision for doubtful debts & advances, net	109.22	281.43

23.2 Fees paid to Statutory Auditors (excluding GST)

Statutory Audit	2.00	1.80
Company Law matters	0.03	0.03
Other Certifications	1.08	0.33
	3.11	2.16

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

24. Other Disclosures

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto currency or virtual currency.
- (b) Benami property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (c) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilization of borrowed funds & share premium
 - iii. Discrepancy in utilization of borrowings
 - iv. Current maturity of long term borrowings
- (e) Registration of charges or satisfaction with Registrar of Companies to be filed beyond the statutory period.

25. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years, on CSR activities. Details of CSR activities are given below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
1) Amount required to be spent during the year	6.03	14.43
2) Amount of expenditure incurred on:		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	1.50	2.00
3) Shortfall at the end of the year *	4.53	12.43
4) Total of previous years shortfall	7.38	-
5) Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
6) Nature of CSR activities	Environmental sustainability etc., as specified in Clause iv to Schedule VII of the Companies Act, 2013	Environmental sustainability etc., as specified in Clause iv to Schedule VII of the Companies Act, 2013
7) Details of related party transactions	-	-

*The unspent amount of Rs.4.53 Mln. relating to current year has since been transferred on April 27, 2023, to the "Unspent CSR account FY 2022-23" opened with Axis Bank Limited within the prescribed time limit.

The unspent amount of Rs.12.43 Mln. relating to previous year was transferred on April 28, 2022 to the "Unspent CSR account FY 2021-22" opened with Axis Bank Limited within the prescribed time limit. Out of this, Rs.5.05 Mln. was utilized during the FY 2022-23 and balance available in this account as on March 31, 2023 is Rs.7.38 Mln.



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

26. Related Party Transactions

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Subsidiary companies

1.	Ramco Systems Corporation, USA	10.	Ramco System Inc., Philippines
2.	Ramco Systems Ltd., Switzerland	11.	Ramco Systems (Shanghai) Co. Ltd., China
3.	Ramco Systems Pte. Ltd., Singapore	12.	Ramco System Vietnam Company Limited, Vietnam
4.	Ramco Systems Sdn. Bhd., Malaysia	13.	PT Ramco Systems Indonesia, Indonesia
5.	RSL Enterprise Solutions (Pty) Ltd., South Africa	14.	Ramco Systems Macao Limited, Macao (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)
6.	Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	15.	Ramco Systems Defense and Security Incorporated, USA (100% subsidiary of Ramco Systems Corporation, USA)
7.	Ramco Systems FZ-LLC, Dubai	16.	Ramco Software Japan Limited, Japan
8.	R S L Software Co. Ltd., Sudan	17.	Ramco Middle East for Information Technology, Saudi Arabia
9.	Ramco Systems Australia Pty Ltd., Australia	18.	Ramco System LLC, Qatar

b. Key managerial personnel including those specified under Companies Act, 2013 (KMP)

1.	Mr. P R Venketrama Raja, Chairman
2.	Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director
3.	Mr. Virender Aggarwal, Chief Executive Officer (till the date of his cessation)
4.	Mr. R Ravi Kula Chandran, Chief Financial Officer
5.	Mr. N E Vijaya Raghavan, Company Secretary
6.	Mr. M M Venkatachalam, Independent Director
7.	Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
8.	Mr. R S Agarwal, Independent Director
9.	Mrs. Soundara Kumar, Independent Director
10.	Mr. Sankar Krishnan, Non-Independent Director
11.	Justice Mr. P P S Janarthana Raja (Retd.), Independent Director

c. Relatives of KMP

1.	Mr. P R Venketrama Raja, Father of Mr. P V Abinav Ramasubramaniam Raja
2.	Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja
3.	Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam Raja
4.	Mrs. R Sudarsanam, Mother of Mr. P R Venketrama Raja
5.	Mrs. S Saradha Deepa, Sister of Mr. P R Venketrama Raja
6.	Mrs. R Nalina Ramalakshmi, Sister of Mr. P R Venketrama Raja

d. Enterprises over which KMP / relatives of KMP exercise significant influence

1.	Rajapalayam Mills Limited	18.	JKR Enterprises Limited
2.	The Ramco Cements Limited	19.	Gowrishankar Screws
3.	Ramco Industries Limited	20.	P A C R Sethurammam Charity Trust
4.	The Ramaraju Surgical Cotton Mills Limited	21.	P A C R Sethurammam Charities
5.	Sri Vishnu Shankar Mills Limited	22.	Rajapalayam Spinners Limited
6.	Sandhya Spinning Mill Limited	23.	Ramco Industrial and Technology Services Limited
7.	Thanjavur Spinning Mill Limited	24.	Madurai Trans Carrier Limited
8.	Sri Harini Textiles Limited	25.	Ramco Welfare Trust
9.	Swarna Boomi Estate	26.	Lynks Logistics Limited
10.	Thanga Vilas Estate	27.	Ramco Management Private Limited
11.	Rajapalayam Textile Limited	28.	Raja Charity Trust
12.	Shri Harini Media Limited	29.	P A C Ramasamy Raja Centenary Trust
13.	Sudarsanam Estate	30.	P A C Ramasamy Raja Education Charity Trust
14.	Shri Abhinava Vidyatheertha Seva Trust	31.	P A C Ramasamy Raja Polytechnic College
15.	Smt. Lingammal Ramaraju Shastra Prathista Trust	32.	P A C R Industrial Training Center
16.	The Ramco Cements Limited Educational and Charitable Trust	33.	Smt. Sethu Ramammam Vidya Mandir English Medium High School
17.	Gowrihouse Metal Works LLP	34.	Ramasubrahmaneya Rajha Ramco Foundation

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

26. Related Party Transactions (Contd.)

e. Employee benefit funds where control exists

1.	Ramco Systems Limited employees group gratuity scheme
2.	Ramco Systems Limited employees superannuation scheme

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

Particulars	Transaction during FY 2022-23	Outstanding as at March 31, 2023	Unbilled/ (unearned) outstanding as at March 31, 2023	Transaction during FY 2021-22	Outstanding as at March 31, 2022	Rs. Min.
						Unbilled/ (unearned) outstanding as at March 31, 2022
Income from sale of goods & services						
Ramco Systems Corporation, USA	151.41	58.64	-	191.29	60.79	-
Ramco Systems Canada Inc., Canada	3.30	2.35	-	3.52	0.33	-
Ramco Systems Ltd., Switzerland	18.30	-	-	5.13	-	-
Ramco Systems Sdn. Bhd., Malaysia	65.05	41.19	-	59.20	19.43	-
Ramco Systems Pte. Ltd., Singapore	126.38	83.84	-	103.70	62.84	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	28.33	2.43	-	32.78	2.60	-
Ramco Systems FZ-LLC, Dubai	103.31	15.16	-	88.04	0.26	-
Ramco Systems Australia Pty Ltd., Australia	113.50	65.56	-	77.38	36.56	-
Ramco System Inc., Philippines	55.09	27.68	-	35.40	14.76	-
Ramco Systems (Shanghai) Co. Ltd., China	6.93	4.04	-	9.82	5.87	-
PT Ramco Systems Indonesia, Indonesia	2.14	1.02	-	1.13	0.50	-
Ramco System Vietnam Company Limited, Vietnam	-	-	-	0.01	-	-
Ramco Systems Defense and Security Incorporated	0.41	0.41	-	-	-	-
The Ramco Cements Limited	107.10	-	-	150.30	-	-
Ramco Industries Limited	8.19	-	-	31.65	-	-
Rajapalayam Mills Limited	3.88	-	-	50.27	-	-
Rajapalayam Textile Limited	0.43	-	-	0.40	-	-
Sri Vishnu Shankar Mills Limited	1.62	-	-	1.43	-	-
Sandhya Spinning Mill Limited	1.33	-	-	1.11	-	-
The Ramaraju Surgical Cotton Mills Limited	2.15	-	-	2.30	-	-
Sudarsanam Estate	0.04	0.02	-	0.07	-	-
Swarna Bhoomi Estate	0.04	-	-	0.04	-	-
Thanga Vilas Estate	0.04	-	-	0.04	-	-
Ramco Welfare Trust	0.13	-	-	0.23	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.08	-	-	0.14	-	-
The Ramco Cements Limited Educational and Charitable Trust	0.10	-	-	0.15	-	-
Gowrihouse Metal Works LLP	0.45	0.09	-	0.36	-	-
P A C R Sethurammam Charity Trust	0.30	0.02	-	0.36	0.06	-
P A C R Sethurammam Charities	0.13	-	-	0.19	-	-
Madurai Trans Carrier Limited	-	-	-	0.85	-	-
Ramco Industrial and Technology Services Limited	1.87	-	-	1.25	-	-
Lynks Logistics Limited	8.76	23.29	-	15.87	14.53	-
P A C Ramasamy Raja Education Charity Trust	0.13	0.01	-	0.19	-	-



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

26. Related Party Transactions (Contd.)

Particulars	Rs. Mn.					
	Transaction during FY 2022-23	Outstanding as at March 31, 2023	Unbilled/ (unearned) outstanding as at March 31, 2023	Transaction during FY 2021-22	Outstanding as at March 31, 2022	Unbilled/ (unearned) outstanding as at March 31, 2022
P A C Ramasamy Raja Centenary Trust	0.15	0.01	-	0.27	-	-
Smt. Sethu Ramammal Vidya Mandir English Medium High School	0.02	-	-	-	-	-
P A C R Industrial Training Center	0.02	-	-	-	-	-
Income from royalty						
Ramco Systems Corporation, USA	146.07	55.46	21.96	159.82	18.08	31.51
Ramco Systems Canada Inc., Canada	7.47	5.51	1.47	9.99	2.97	3.91
Ramco Systems Ltd., Switzerland	14.37	2.00	-	9.51	1.07	-
Ramco Systems Sdn. Bhd., Malaysia	31.27	20.73	-	23.06	9.16	-
Ramco Systems Pte. Ltd., Singapore	57.44	61.42	59.06	56.43	24.89	79.12
Ramco Systems FZ-LLC, Dubai	71.72	23.95	3.80	84.34	11.03	8.54
Ramco Systems Australia Pty Ltd., Australia	66.71	28.75	16.87	60.07	17.32	20.64
RSL Enterprise Solutions (Pty) Ltd., South Africa	1.38	0.10	-	7.74	0.14	-
Ramco System Inc., Philippines	54.04	14.80	3.27	35.81	8.35	0.09
Ramco Systems (Shanghai) Co. Ltd., China	2.18	1.52	-	1.51	2.24	-
PT Ramco Systems Indonesia, Indonesia	2.44	1.70	-	0.76	0.42	-
Ramco Systems Defense and Security Incorporated	8.48	1.29	-	-	-	-
Cost of services availed						
Ramco Systems Corporation, USA	97.69	60.51	-	50.42	7.59	-
Ramco Systems Ltd., Switzerland	21.68	53.68	-	53.19	31.82	-
Ramco Systems Sdn. Bhd., Malaysia	10.74	3.00	-	12.54	2.25	-
Ramco Systems Pte. Ltd., Singapore	122.37	54.08	-	86.23	24.60	-
Ramco Systems Australia Pty Ltd., Australia	57.08	22.14	-	56.19	19.03	-
Ramco System Inc., Philippines	9.94	1.12	-	15.51	3.42	-
PT Ramco Systems Indonesia, Indonesia	6.31	1.41	-	6.63	2.02	-
Ramco Systems (Shanghai) Co. Ltd., China	18.75	4.70	-	7.57	2.24	-
Ramco Industrial and Technology Services Limited	67.42	-	-	58.31	-	-
The Ramco Cements Limited	4.70	-	-	20.40	-	-
Ramco Industries Limited	1.32	-	-	1.13	-	-
Advances received from subsidiaries against services						
Ramco Systems Ltd., Switzerland	-	1.46	-	-	3.66	-
Ramco Systems FZ-LLC, Dubai	-	-	-	-	16.97	-
Investments / (divestment) (refer note no.8.1)						
Ramco Systems Pte. Ltd., Singapore	-	1,511.74	-	-	1,511.74	-
Ramco Systems Australia Pty Ltd., Australia	267.93	1,063.17	-	-	795.24	-
Ramco Systems Corporation, USA	-	743.41	-	-	743.41	-
Ramco Systems Ltd., Switzerland	-	441.70	-	-	441.70	-
RSL Enterprise Solutions (Pty) Ltd., South Africa	(20.59)	31.41	-	(47.02)	52.00	-
Ramco Systems (Shanghai) Co. Ltd., China	-	10.41	-	-	10.41	-

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

26. Related Party Transactions (Contd.)

Particulars	Rs. Mln.					
	Transaction during FY 2022-23	Outstanding as at March 31, 2023	Unbilled/ (unearned) outstanding as at March 31, 2023	Transaction during FY 2021-22	Outstanding as at March 31, 2022	Unbilled/ (unearned) outstanding as at March 31, 2022
Ramco System Vietnam Company Limited, Vietnam	-	23.91	-	7.47	23.91	-
PT Ramco Systems Indonesia, Indonesia	-	55.40	-	39.12	55.40	-
Ramco Systems Sdn. Bhd., Malaysia	-	18.22	-	-	18.22	-
Ramco Systems FZ-LLC, Dubai	-	0.62	-	-	0.62	-
R S L Software Co. Ltd., Sudan	-	2.08	-	-	2.08	-
Ramco System Inc., Philippines	-	17.44	-	-	17.44	-
Ramco Software Japan Limited, Japan	-	6.42	-	6.42	6.42	-
Loans given						
Ramco Systems Sdn. Bhd., Malaysia	-	56.03	-	-	67.41	-
Ramco Systems Australia Pty Ltd., Australia	-	-	-	-	280.65	-
Ramco Systems Pte. Ltd., Singapore	-	72.84	-	-	402.73	-
Ramco System Inc., Philippines	-	-	-	-	22.22	-
Interest income						
Ramco Systems Australia Pty Ltd., Australia	6.84	-	-	23.75	-	-
Ramco Systems Pte. Ltd., Singapore	22.08	-	-	34.77	-	-
Ramco Systems FZ-LLC, Dubai	-	-	-	0.10	-	-
Ramco Systems Sdn. Bhd., Malaysia	5.78	-	-	10.48	-	-
Ramco System Inc., Philippines	0.56	-	-	1.91	-	-
Bank guarantee issued in favour of bankers / customers / vendors of						
i) Ramco Systems FZ-LLC, Dubai	-	74.79	-	-	68.71	-
ii) Ramco System Inc., Philippines	-	-	-	-	5.02	-
iii) Ramco Systems Australia Pty Ltd., Australia	-	7.19	-	-	7.36	-
Corporate guarantee issued in favour of customer(s) of						
i) Ramco Systems Australia Pty Ltd., Australia	-	680.40	-	-	696.48	-
ii) Ramco Systems FZ-LLC, Dubai	83.22	84.12	-	-	-	-
Rent expense						
The Ramco Cements Limited	92.99	-	-	92.99	7.09	-
Rajapalayam Mills Limited	0.07	-	-	0.08	-	-
Sitting fees						
Mr. P R Venketrama Raja	0.18	-	-	0.18	-	-
Mr. P V Abinav Ramasubramaniam Raja	0.18	-	-	0.18	-	-
Mr. M M Venkatachalam	0.36	-	-	0.33	-	-
Mr. A V Dharmakrishnan	0.33	-	-	0.33	-	-
Mr. R S Agarwal	0.36	-	-	0.36	-	-
Mrs. Soundara Kumar	0.30	-	-	0.36	-	-
Mr. Sankar Krishnan	0.33	-	-	0.27	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.36	-	-	0.36	-	-
Subscription for issue of equity shares under preferential issue 2022						
Ramco Industries Limited (refer note no.32)	450.00	-	-	-	-	-
Subscription for issue of warrants convertible into equity shares under preferential issue 2022						
Mr. P R Venketrama Raja (refer note no.32)	100.00	-	-	-	-	-
Remuneration						
Mr. P V Abinav Ramasubramaniam Raja	1.32	-	-	1.32	-	-
Mr. R Ravi Kula Chandran	8.98	-	-	10.85	-	-

**Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)****26. Related Party Transactions (Contd.)**

Particulars	Transaction during FY 2022-23	Outstanding as at March 31, 2023	Unbilled/ (unearned) outstanding as at March 31, 2023	Transaction during FY 2021-22	Outstanding as at March 31, 2022	Rs. Mln.
						Unbilled/ (unearned) outstanding as at March 31, 2022
Mr. N E Vijaya Raghavan	2.49	-	-	1.96	-	-
CSR contribution						
Ramasubrahmaneya Rajha Ramco Foundation	0.50	-	-	-	-	-
Contributions made						
Ramco Systems Limited employees group gratuity scheme	28.33	-	-	16.73	-	-
Ramco Systems Limited employees superannuation scheme	16.41	-	-	15.54	-	-

Notes:

- Details of undertaking given by the Company are given in the note no.29.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- The transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free, except loan transactions. The Company has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are generally less than 60 days, except in the case of overseas subsidiaries, from whom the receivables are realized within the prescribed period.
- Disclosure of Key Management Personnel remuneration in total and for each of the following categories:

Particulars	FY 2022-23	FY 2021-22
	Rs. Mln.	Rs. Mln.
Short - term benefits *	14.08	15.77
Defined contribution plan **	1.10	0.73
Defined benefit plan / other long - term benefits ***	-	-
	15.18	16.50

* It includes bonus, sitting fees, value of perquisites and fixed monthly remuneration in the form of commission (as applicable).

** It includes contribution to Provident fund, Superannuation, National pension scheme and accrual of Gratuity.

*** Based on actual payment if any.

- Mr. A V Dharmakrishnan Non-Executive Non-Independent Director has exercised 17,500 stock options with an exercise price of Rs.0.18 Mln. and shares were allotted on January 20, 2023.
- For details regarding grant of stock options during the year to KMPs, refer Annexure II to the Directors Report - "Disclosure made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021".
- Maximum loan outstanding during the year from subsidiaries:

Name of the subsidiary	FY 2022-23	FY 2021-22
	Rs. Mln.	Rs. Mln.
Ramco Systems Sdn. Bhd., Malaysia	76.57	130.59
Ramco Systems Australia Pty Ltd., Australia	279.45	293.81
Ramco Systems Pte. Ltd., Singapore	381.84	428.27
Ramco Systems FZ-LLC, Dubai	-	30.90
Ramco System Inc., Philippines	23.56	23.65

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

27. Disclosure of Fair Value Measurements

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments by category As at March 31, 2023

						Rs. Mln.
Sl. no.	Particulars	Amortized cost	FVTPL	FVTOCI	Total carrying amount	Fair value
Financial assets						
1	Loans	128.87	-	-	128.87	128.87
2	Investments	-	100.31	-	100.31	100.31
3	Trade receivables	844.21	-	-	844.21	844.21
4	Cash & cash equivalents	538.94	-	-	538.94	538.94
5	Other financial assets	418.53	-	-	418.53	418.53
		1,930.55	100.31	-	2,030.86	2,030.86
Financial liabilities						
6	Borrowings	380.00	-	-	380.00	380.00
7	Lease liabilities	583.13	-	-	583.13	583.13
Trade payables						
8	Total outstanding dues of micro and small enterprises	20.16	-	-	20.16	20.16
9	Total outstanding dues of creditors, other than micro and small enterprises	481.46	-	-	481.46	481.46
10	Other financial liabilities	3.97	-	-	3.97	3.97
		1,468.72	-	-	1,468.72	1,468.72

As at March 31, 2022

						Rs. Mln.
Sl. no.	Particulars	Amortized cost	FVTPL	FVTOCI	Total carrying amount	Fair value
Financial assets						
1	Loans	773.01	-	-	773.01	773.01
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	692.95	-	-	692.95	692.95
4	Cash & cash equivalents	30.89	-	-	30.89	30.89
5	Other financial assets	492.51	0.01	-	492.52	492.52
		1,989.36	0.01	15.00	2,004.37	2,004.37
Financial liabilities						
6	Borrowings	-	-	-	-	-
7	Lease liabilities	460.74	-	-	460.74	460.74
Trade payables						
8	Total outstanding dues of micro and small enterprises	26.52	-	-	26.52	26.52
9	Total outstanding dues of creditors, other than micro and small enterprises	435.38	-	-	435.38	435.38
10	Other financial liabilities	20.48	0.21	-	20.69	20.69
		943.12	0.21	-	943.33	943.33



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

27. Disclosure of Fair Value Measurements (Contd.)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2023 are given below:

Particulars	Rs. Min.			
	Level 1	Level 2	Level 3	Total
Financial instruments at FVTOCI				
Investment in unlisted securities	-	-	-	-
Financial instruments at FVTPL				
Foreign currency forward contract	-	-	-	-
Investment in mutual funds	100.31	-	-	100.31

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2022 are given below:

Particulars	Rs. Min.			
	Level 1	Level 2	Level 3	Total
Financial instruments at FVTOCI				
Investment in unlisted securities	-	-	15.00	15.00
Financial instruments at FVTPL				
Foreign currency forward contract	-	(0.20)	-	(0.20)

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

28. Capital Management

For the purpose of the Company's capital management, capital means the Total Equity as per the Balance Sheet. The primary objective of the Company's capital management is to maximize the Shareholder's wealth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by the total equity.

Particulars	As at March 31, 2023	As at March 31, 2022
	Rs. Min.	Rs. Min.
Borrowings *	380.00	-
Less: Cash and cash equivalents #	64.17	-
Net Debt (A)	315.83	-
Equity Share Capital	352.63	308.49
Other Equity	8,208.72	7,939.72
Total Equity (B)	8,561.35	8,248.21
Net Debt / Equity (A / B)	3.69%	-

* Though there have been borrowings during the year ended March 31, 2022 the same have been repaid, thus making the borrowings Nil, as at the year end.

not considered, since borrowings were Nil for the year ended March 31, 2022.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

28. Capital Management (Contd.)

In order to achieve the overall objective, the Company's capital management, amongst other things aims to ensure that it meets financial covenants if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest bearing loans / borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

29. Contingent Liabilities and Commitments

Contingent Liabilities	As at	As at
	March 31, 2023	March 31, 2022
	Rs. Mln.	Rs. Mln.
a) Bank guarantees issued by the bankers to the Company in favour of:		
i) Bankers / customers / vendors, to the subsidiaries / overseas branches, as applicable (refer note no.26)	81.98	81.09
ii) Others	0.53	14.14
b) Corporate guarantee issued in favour of customers of subsidiaries (refer note no.26)	764.52	696.48
c) Claims against the Company not acknowledged as debts		
i) Disputed Tamil Nadu Value Added Tax demand		
1. Relating to FY 2009-10 to FY 2013-14 and pending before The Honorable High Court of Madras	75.86	75.86
2. Relating to FY 2014-15 to FY 2017-18 in respect of which no demand notice has been received	26.73	26.73
ii) Disputed Value Added Tax demand, pending before The Deputy Commissioner of Sales Tax, Mumbai, FY 2012-13	0.09	0.09
iii) Disputed Service Tax demand, pending before The Commissioner of Service Tax, Appeals, Chennai*	-	1.21
iv) Disputed Goods and Service Tax demand		
a. Relating to FY 2017-18 to FY 2019-20 pending before The Additional / Joint Commissioner of GST & Central Excise, Adjudication, Chennai	27.85	27.85
b. Relating to FY 2020-21 to FY 2022-23 for which no demand notice has been received	11.51	5.14
v) Other claims	93.92	46.43
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	24.37	3.00

* Commissioner of Service Tax Appeals has adjudicated the case by remanding it back to the Jurisdictional Assistant Commissioner to examine and re-quantify the admissible and non-admissible input credit. An appeal has been filed by the Company with CESTAT on April 13, 2023.

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.

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Australia Pty Ltd., Australia, Ramco Systems Sdn. Bhd., Malaysia and Ramco System Vietnam Company Limited, Vietnam for their operations and have also undertaken to ensure the going concern status of above subsidiaries and also that of Ramco System Inc., Philippines and Ramco Systems Sdn. Bhd., Malaysia and Ramco Systems Australia Pty Ltd., Australia with respect to debt dues, if any, to Ramco Systems Ltd., Switzerland.



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

30. Financial Risk Management Objectives and Policies

The Board of Directors has constituted a Risk Management committee, with responsibility including, formulation, monitoring and review of risk management policy, identification of risk mitigation measures and establishment of business continuity plan. The Company has already developed and implemented a risk management policy. The risk management systems are reviewed periodically. The Internal Audit reviews the risk management controls & procedures and reports to the Audit Committee.

The Company's financial risks comprise of market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and foreign currency risk.

A.1 Interest rate risk

The Company has borrowed debt at variable rates to finance its operations including capital expenditure, which exposes it to interest rate risk. The Company's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

Interest rate risk exposure on the average borrowing for the year

	Rs. Mln.	
Particulars of average borrowing	FY 2022-23	FY 2021-22
Fixed rate borrowing	378.71	25.31
Variable rate borrowing	214.89	5.10

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2022-23 by Rs.2.15 Mln. (FY 2021-22 by Rs.0.05 Mln.).

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans given to overseas subsidiaries, trade payables and bank balances.

The Company's exposure to foreign currency risk with respect to material currencies as detailed below:

Foreign currency	Trade receivables	Unbilled revenues	Bank balances	Loans given	Trade payables	Total
Rs. Mln.						
USD Mln.						
As at March 31, 2023	2.86	1.04	-	0.69	(0.85)	3.74
As at March 31, 2022	1.58	2.16	-	1.19	(0.33)	4.60
SGD Mln.						
As at March 31, 2023	2.28	0.88	-	1.19	(0.40)	3.95
As at March 31, 2022	1.51	1.35	-	7.28	(0.17)	9.97
EUR Mln.						
As at March 31, 2023	0.06	2.00	-	-	(0.48)	1.58
As at March 31, 2022	0.05	1.96	-	-	(0.49)	1.52

Sensitivity analysis between Indian Rupee and the following foreign currencies for an increase of / decrease by Re. 1:

Foreign currency	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
USD	3.74	(3.74)	4.60	(4.60)
SGD	3.95	(3.95)	9.97	(9.97)
EUR	1.58	(1.58)	1.52	(1.52)

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

30. Financial Risk Management Objectives and Policies (Contd.)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures:

- Availment of packing credit in foreign currency (PCFC), including entering into cross currency forward contracts in equivalent USD where the exposures are in other currencies. The exposure is Nil for both March 31, 2023 and March 31, 2022.
- Entering into forward contracts which are not covered by PCFC, for such quantum as considered appropriate. The outstanding exposure in this regard is as follows:

Foreign currency	As at March 31, 2023		As at March 31, 2022	
	In Mln.	Rs. Mln.	In Mln.	Rs. Mln.
SGD	Nil	Nil	0.39	21.78
USD	Nil	Nil	0.43	23.79
AUD	Nil	Nil	0.26	19.58
EUR	Nil	Nil	0.09	5.38

The above outstanding forward contracts for FY 2021-22 amounting to Rs.70.53 Mln. have been converted at the closing rates as against the contracted value of Rs.72.46 Mln. The accounting treatment followed for foreign exchange forward contracts is Mark to Market based.

B. Credit risk

Credit risk is the risk of financial loss to the Company, if the customer or counter party to the financial instruments or supplier fail to meet its contractual obligations and arises principally from the Company's receivables and treasury operations.

Customer credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored and the Company creates a provision based on expected credit loss model.

B.1 Trade receivables, unbilled revenues and advance to suppliers and service providers

Trade receivables

Trade receivables of the Company include a) dues from its overseas subsidiaries amounting to 61% as at March 31, 2023 (43% as at March 31, 2022), of total trade receivables which are risk free and b) dues from others which are exposed to credit risk. The number of external customers (excluding subsidiaries) and the percentage they owed exceeding Rs.5.00 Mln. individually, out of the outstanding as at March 31, 2023, were 20 and 79% respectively (16 and 77% as at March 31, 2022).

External customers who accounted for more than 10% of the trade receivable from them, is one both as at March 31, 2023 and as at March 31, 2022.

Unbilled revenues

Unbilled revenues (Unbilled licenses revenue grouped under financial asset and unbilled services revenue grouped under non-financial assets i.e., other assets) of the Company are also exposed to risk in the event of the inability to bill the customer. Unbilled royalty revenue is in respect of overseas subsidiaries, which are generally risk free.

Number of external customers constituting more than 10% of the unbilled revenues in respect of them, is two both as at March 31, 2023 and as at March 31, 2022.

Advance to suppliers and service providers

Advance to suppliers and service providers are also exposed to risk in the event of inability to adjust such advances from their billing or otherwise recover the same.



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

30. Financial Risk Management Objectives and Policies (Contd.)

B.2 Credit risk exposure

The movement in provision for doubtful debts and advances is as below:

Particulars	Rs. Mln.	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	207.76	134.60
Provisions for the year	109.22	281.43
Translation differences	1.14	0.20
Provision utilized for write off	(7.95)	(208.47)
Balance at the end	310.17	207.76
Credit exposure (net of provisions):		
Trade receivables	844.21	692.95
Unbilled licenses revenue	266.61	316.86
Unbilled royalty revenue	106.43	143.81
Unbilled services revenue	283.02	317.77
Advance to suppliers and service providers	1.87	16.60

B.3 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Company is exposed to counter party risk relating to deposits with banks and investments in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Fixed deposits of Rs. 467.39 Mln. have been placed with 2 Banks having high credit rating. Investment in mutual funds of Rs.100.31 Mln. have been placed in bond, ultra short duration and liquid funds with 3 mutual fund institutions.

C. Liquidity risk

Liquidity risks are those risks that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

Particulars	Rs. Mln.	
	As at March 31, 2023	As at March 31, 2022
Expiring within one year		
Bank cash credit / packing credit / WCDL (subject to the availability of drawing power at the time of drawl)	1,495.00	1,725.00
Expiring beyond one year	Nil	Nil

Maturities of financial liabilities

Particulars	Rs. Mln.		
	< 1 year	> 1 year	Total
As at March 31, 2023			
Borrowings*	380.00	-	380.00
Trade and other payables	472.21	33.38	505.59
Lease liabilities (on undiscounted basis)	126.29	628.26	754.55
	978.50	661.64	1,640.14

* Against this, the Company had parked Rs.300 Mln. in fixed deposits with banks, which had been preclosed for the purpose of prepayment of loans on April 03, 2023.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

30. Financial Risk Management Objectives And Policies (Contd.)

Particulars	< 1 year	> 1 year	Total
As at March 31, 2022			
Borrowings	-	-	-
Trade and other payables	450.83	31.76	482.59
Lease liabilities (on undiscounted basis)	105.27	502.68	607.95
	556.10	534.44	1,090.54

31. Financial Ratios

Sl. no.	Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance (in %)	Reason for variance
1	Current ratio	Current assets	Current liabilities	1.53	2.42	(36.78%)	Declined, mainly due to decrease in loan receivable from subsidiaries due to conversion to non-current investment / repayment comprised in current assets coupled with increase in borrowings and unearned revenue comprised in current liabilities.
2	Debt equity ratio	Total debt (including lease liabilities)	Shareholder's equity	0.11	0.06	83.33%	Increased, mainly due to increase in borrowings.
3	Debt service coverage ratio	Net profit after taxes, adjusted for non cash items	Sum of interest, lease payments, term loan / net working capital loan repayments during the year	0.01	4.16	(99.79%)	Declined, mainly due to reduction in earnings available for debt service for the year. Note: The repayments out of Preferential Issue proceeds not considered.
4	Return on equity ratio in %	Net profits after taxes	Average total equity	(13.00%)	(6.00%)	(7.00%)	
5	Inventory turnover ratio	Cost of goods sold	Average inventory	Nil	Nil	Nil	
6	Trade receivables turnover ratio	Total revenue	Average trade receivables	3.22	2.99	7.69%	
7	Trade payables turnover ratio	Cost of goods sold, services and other expenses, adjusted	Average trade payables and other related liabilities	4.64	5.19	(10.64%)	
8	Net capital turnover ratio	Total revenue	Working capital	3.00	2.03	47.78%	Improved, mainly due to conversion of subsidiary loans to non-current investment / repayment.
9	Net profit ratio in %	Net profit	Total revenue	(45.60%)	(17.87%)	(27.73%)	Declined, due to incurrance of higher loss during the year on account of lower revenue and higher employee cost compared to the previous year.
10	Return on capital employed in %	Earnings before interest and taxes	Capital employed*	(19.09%)	(9.11%)	(9.98%)	
11	Return on investment in %	Income generated from short term treasury investments	Weighted average short term treasury investments	6.80%	3.24%	3.56%	

* Tangible net worth + Deferred tax liabilities + Lease liabilities



Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

32. Preferential Issue 2022

During the year, a Preferential Issue of Equity Shares and Warrants Fully Convertible into Equity Shares each at a price of Rs.274/-, aggregating to Rs.1,600 Mln. was made and the shares / warrants were allotted on February 01, 2023 as per details below:

Sl. no.	Name of the allottees	Category	Issue size Rs. Mln.	Consideration received Rs. Mln.	No. of. securities allotted
1	Ramco Industries Limited	Promoter Group	450.00	450.00	1,642,335 equity shares
2	Atyant Capital India Fund-I	Non-Promoter	375.00	375.00	1,368,613 equity shares
3	Vanderbilt University	Non-Promoter	375.00	375.00	1,368,613 equity shares
4	Mr. P R Venketrama Raja	Promoter	400.00	100.00*	1,459,854 warrants
			1,600.00	1,300.00	

* Represents upfront payment of 25%. The warrants shall be convertible into equity shares, in one or more tranches, within a period of 18 months from the date of allotment, failing which the amount paid shall be forfeited.

The utilization of the proceeds of "Preferential Issue 2022" is given below:

Particulars	Amount specified as per notice of postal ballot dated December 22, 2022	Rs. Mln. Actuals for the quarter and year ended March 31, 2023
Proceeds		
Proceeds received		1,300.00
Utilization		
Repayment of borrowings (Range 920 to 1000)	950.00	675.00
Sales & marketing expenses	100.00	13.80
Capital expenditure towards tangible & intangible assets	200.00	46.20
General corporate purposes (Range 320 to 380)	350.00	-
	1,600.00	735.00
Balance available as on March 31, 2023 and temporarily invested in Bank deposits / Mutual funds		565.00

33. Impact Of Covid-19

COVID-19 has impacted the business and the Company is recovering from the adverse business impact created by it. However, the Company's capital and financial resources are well protected, though there was an impact on the revenue and profitability during the year. The liquidity position of the Company is adequate and strengthened by Preferential Issue 2022. The Company has been servicing its interim debt obligations as per schedule on the due dates. The Company has sufficient liquidity / financial arrangements for the continuity of its business operations.

The Company is confident of its ability to serve its debt and other obligations in future as well. The Company is confident to raise funds that may be required in the future. The Company has got adequate internal financial controls commensurate with the size and nature of its operations and pertaining to financial reporting. There is no impact on the Company's supply chain. The Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

The Company has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non-financial assets and as per the current assessment of the Company, there is no material impact in respect of these in the preparation of the financial statements. However, the impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to monitor the uncertainties caused by COVID-19 to assess the impact on our future economic conditions.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

34. Other Notes

- a. The Company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.
- b. The Company's shares are listed on BSE Limited and The National Stock Exchange of India Limited

In line with the provisions of the listing agreement with the stock exchanges, the listing fee for the FY 2022-23 have been paid to the BSE Limited and The National Stock Exchange of India Limited.
- c. Figures for the previous year have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
- d. The figures in Rupees have been rounded off to the million with two decimals in current and previous year.

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director
Vancouver, Canada

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 17, 2023

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary



Research and Development Activities

Balance Sheet

As at March 31, 2023

Particulars	Note No.	As at	As at
		March 31, 2023	March 31, 2022
		Rs. Min.	Rs. Min.
ASSETS			
Non-current assets			
Property, plant and equipment	1	2.28	3.98
Intangible assets	2	3,336.08	2,815.23
		3,338.36	2,819.21
Current assets			
Financial assets		0.27	-
Other current assets		1.96	1.36
		2.23	1.36
Total assets		3,340.59	2,820.57
EQUITY AND LIABILITIES			
Equity			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		(7,014.47)	(6,437.05)
Total equity		(7,014.47)	(6,437.05)
Liabilities			
Non-current liabilities			
Head office contra account		10,321.54	9,212.69
		10,321.54	9,212.69
Current liabilities			
Financial liabilities			
Trade payables		8.46	37.72
Other current liabilities		25.06	7.21
		33.52	44.93
Total liabilities		10,355.06	9,257.62
Total equity and liabilities		3,340.59	2,820.57
Notes on Financials of Research & Development Activities	1 - 5		

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants
Firm Registration No.: 001208S

K SRINIVASAN

Partner
Membership No.: 021510

Place: Chennai

Date: May 17, 2023

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director
Vancouver, Canada

N E VIJAYA RAGHAVAN

Company Secretary

Statement of Profit and Loss

For the year ended March 31, 2023

Particulars	Note No.	Year ended	Year ended
		March 31, 2023	March 31, 2022
		Rs. Mln.	Rs. Mln.
EXPENSES			
Employee benefits expense	3	63.35	(3.34)
Depreciation and amortization expense	1 & 2	514.07	491.76
Other expenditure	4	-	-
Total expenses		577.42	488.42
Profit / (Loss) for the year		(577.42)	(488.42)
Notes on Financials of Research & Development Activities	1 - 5		

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director
Vancouver, Canada

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 17, 2023

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary



Notes to the Financials of Research & Development Activities

For the year ended March 31, 2023

1. PROPERTY, PLANT AND EQUIPMENT

Particulars	Rs. Mln.			
	Laptops and desktops	Servers and networks	Office equipments	Total
Gross carrying value				
As at April 01, 2021	9.05	2.72	0.17	11.94
Additions	2.03	-	-	2.03
Disposals	-	-	-	-
As at March 31, 2022	11.08	2.72	0.17	13.97
Additions	0.21	-	0.03	0.24
Disposals	(0.01)	(0.01)	-	(0.02)
As at March 31, 2023	11.28	2.71	0.20	14.19
Depreciation				
As at April 01, 2021	6.40	0.91	0.17	7.48
For the year	2.06	0.45	-	2.51
Disposals	-	-	-	-
As at March 31, 2022	8.46	1.36	0.17	9.99
For the year	1.48	0.45	-	1.93
Disposals	(0.01)	-	-	(0.01)
As at March 31, 2023	9.93	1.81	0.17	11.91
Carrying value				
As at March 31, 2022	2.62	1.36	-	3.98
As at March 31, 2023	1.35	0.90	0.03	2.28

2. INTANGIBLE ASSETS

Particulars	Rs. Mln.			
	Technology platform	Product software	Computer software	Total
Gross carrying value				
As at April 01, 2021	1,793.17	5,083.46	39.29	6,915.92
Additions	120.99	607.44	2.98	731.41
Deletions	-	-	-	-
As at March 31, 2022	1,914.16	5,690.90	42.27	7,647.33
Additions	215.43	817.56	-	1,032.99
Deletions	-	-	-	-
As at March 31, 2023	2,129.59	6,508.46	42.27	8,680.32
Amortization				
As at April 01, 2021	1,199.90	3,104.59	38.36	4,342.85
For the year	115.84	368.57	0.73	485.14
Disposals	-	-	-	-
Impairment	-	4.11	-	4.11
As at March 31, 2022	1,315.74	3,477.27	39.09	4,832.10
For the year	116.26	388.27	0.70	505.23
Disposals	-	-	-	-
Impairment	-	6.91	-	6.91
As at March 31, 2023	1,432.00	3,872.45	39.79	5,344.24
Carrying value				
As at March 31, 2022	598.42	2,213.63	3.18	2,815.23
As at March 31, 2023	697.59	2,636.01	2.48	3,336.08

Notes to the Financials of Research & Development Activities for the year ended March 31, 2023 (Contd.)

3. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
Salaries, bonus, contributions etc.,	886.10	598.28
Share based payments	63.35	(3.34)
Staff welfare	15.14	6.81
Gross cost	964.59	601.75
Less: Product research and development expenditure capitalized	(901.24)	(605.09)
	63.35	(3.34)

4. OTHER EXPENSES

Postage & telephone	1.75	2.03
Power & fuel	4.59	4.14
Travel & conveyance	10.31	3.52
Rent & Hosting charges	2.24	0.92
Consultancy & outsourcing charges	104.52	97.36
Other miscellaneous expenses	8.34	15.37
Gross cost	131.75	123.34
Less: Product research and development expenditure capitalized	(131.75)	(123.34)
	-	-

5. CALCULATION OF TOTAL R&D EXPENDITURE

i) Capital expenditure for R&D (exclusive of product research & development expenditure capitalized) (refer note no.1 & 2)	0.24	5.02
ii) Recurring R&D expenditure:		
Employee benefits expense - gross (refer note no.3)	964.59	601.75
Other expenses - gross (refer note no.4)	131.75	123.34
Sub-total	1,096.34	725.09
Total R&D expenditure (i) + (ii)	1,096.58	730.11

**RAMCO SYSTEMS LIMITED****CONSOLIDATED FINANCIAL STATEMENTS****SUBSIDIARIES**

- 1 Ramco Systems Corporation, USA
- 2 Ramco Systems Ltd., Switzerland
- 3 Ramco Systems Pte. Ltd., Singapore
- 4 Ramco Systems Sdn. Bhd., Malaysia
- 5 RSL Enterprise Solutions (Pty) Ltd., South Africa
- 6 Ramco Systems Canada Inc., Canada
- 7 Ramco Systems FZ-LLC, Dubai
- 8 R S L Software Co. Ltd., Sudan
- 9 Ramco Systems Australia Pty Ltd., Australia
- 10 Ramco System Inc., Philippines
- 11 Ramco Systems (Shanghai) Co. Ltd., China
- 12 Ramco System Vietnam Company Limited, Vietnam
- 13 PT Ramco Systems Indonesia, Indonesia
- 14 Ramco Systems Macau Limited, Macao
- 15 Ramco Software Japan Limited, Japan
- 16 Ramco Systems Defense and Security Incorporated, USA
- 17 Ramco Middle East for Information Technology, Saudi Arabia
- 18 Ramco System LLC, Qatar

ASSOCIATE

- 1 CityWorks (Pty.) Limited, South Africa

AUDITORS**M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants, Chennai

Independent Auditor's Report

To the Members of **RAMCO SYSTEMS LIMITED**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ("Consolidated Financial Statements") of Ramco Systems Limited ("Holding Company") and its Subsidiaries (together referred to as the "Group") and the share of profit of its Associate. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended 31 March 2023 and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the State of Affairs ("Financial Position") of the Group as at 31 March 2023, its Consolidated Loss ("Financial Performance including Other Comprehensive Income"), Consolidated Cash Flows and Consolidated Changes in Equity for the year ended on 31 March 2023.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue

Trade Receivables

Trade receivables are amounts billed but not yet received. As on 31 March 2023, amount outstanding on this account is Rs. 1,524.67 Mn (PY: Rs. 1,716.89 Mn). Of this Rs. 6.08 Mn is due from an Associate.

Unbilled License Revenue

Revenue recognition in the case of Licenses is on delivery of the software and when the customer obtains a right to use such license. The revenue recognized over billing is classified as Unbilled License Revenue and grouped under Financial Assets (both Current and Non-current). The amount outstanding as on 31 March 2023 is Rs. 994.58 Mn (PY: Rs. 1,562.78 Mn).

Unbilled Service Revenue

Revenue recognition in the case of services is based on percentage of completion method. The excess revenue over billing is classified as Unbilled Service Revenue and grouped under Other Assets (both Current and Non-current). The amount outstanding as on 31 March 2023 is Rs. 1,000.11 Mn (PY: Rs. 1,145.67 Mn).

Auditor's Response

We have audited the Revenue recognition to ensure that it follows the stated policy. The outstanding amount has certain element of risk.

- i. In the case of Trade Receivable, there could arise a credit risk on account of default of the payment obligation by the customer, resulting in a financial loss.
- ii. In the case of Unbilled License Revenue, the risk could arise on account of inability of the Group to raise invoices on the stated timelines.
- iii. In the case of Unbilled Service Revenue, the risk could arise on account of, (a) non-acceptance of the milestones delivered to the customer and, (b) the consequential inability of the Group to invoice those milestones.
- iv. In respect of (ii) and (iii) above, once invoiced, there could arise credit risk as stated in (i) above.



Independent Auditor's Report (Contd.)

The Group creates a provision for Trade Receivables and Unbilled License Revenue by using a 12-month ECL method along with ECL over lifetime of the assets by using a provision matrix which is based on the historical loss experience reflecting current conditions. In the case of Unbilled Service Revenue, the Group creates a provision using a 12-month ECL where credit risk has not increased significantly. In other cases, the impairment is measured based on probability of default over lifetime.

While arriving at our conclusion that the stated amounts are realizable, we have applied the following audit procedures:

1. We have reviewed the credit risk policy of the Group. The implementation of such policy has been audited through audit / review of accounts through compliance and substantive testing of selected samples. The substantive audit procedures include ascertaining the contractual obligation of the customers, execution status of the selected projects and consequent recoverability, historical evidence of the ability of the Group in reviving certain stagnant projects.
2. We assessed the ageing of Trade Receivables and Unbilled Revenue, the customer's historical billing and collection patterns along with the technical status of the projects and whether any payments post year-end have been received up to the date of this report. We have also ascertained the key judgments and assumptions used by the Management in the recoverability assessment of Trade Receivables, Unbilled License Revenue and Unbilled Service Revenue.

We have also evaluated the empirical data of the previous years, and we have ascertained that the current provisioning for the expected credit loss is in line with the historical evidence.

2. Intangible Assets

The Holding Company's significant cash generating assets are Product Software and Technology Platform. Costs incurred in the development of the product, together with updates to the product functionality, development of new business components, upon completion of the development phase, have been classified as "Product Software".

Similarly, costs incurred in the development of Technology Platform framework, together with updates to the Technology Platform functionality which would enable the Holding Company to provide solutions in both standard

and customized way, have been classified as "Technology Platform". These are disclosed under Intangible Assets.

The carrying value of intangible assets is subjected to evaluation based on its existing verticals and functionality and its ability to generate revenue in future for the foreseeable period. The carrying cost of Product Software and Technology Platform as on 31 March 2023 is Rs. 3,333.60 Mn (PY: Rs. 2,812.05 Mn).

Auditor's Response

We have reviewed and verified the process of capitalization of Product Software and Technology Platform. The Holding Company amortizes the cost incurred in development of these intangible assets over its estimated useful life which is determined as ten years.

Our procedures focused on validating the current carrying value by:

1. Ascertaining the functional Structure of the product software and technology platform and their reasonableness; and
2. (a) Evaluating of the appropriateness of the revenue forecasts and operating cash flows that could be generated based on the current functionality of the product software and technology platform, included in the business forecast for the foreseeable future.
 - (b) Reviewing the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:
 - i) Comparing historical budget forecasts against actual results.
 - ii) Comparing forecast growth to business plans approved by the Board.

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

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our audit report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (Contd.)

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance (including other comprehensive income), Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its Associate in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards specified under Section 133 of the Act, read with applicable rules there under.

The respective Management and Board of Directors of the companies included in the Group and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors

either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of its entity in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We, also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast



Independent Auditor's Report (Contd.)

significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter

or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The Consolidated Financial Statements reflects the Group's share of total assets of Rs. 6,286.69 Mn as at 31 March 2023, total revenues of Rs. 3,421.43 Mn, total net loss after tax of Rs. 938.65 Mn for the year ended 31 March 2023 of the subsidiaries, which were not audited by us but were audited / reviewed by other independent auditors whose reports have been furnished to us by the Management. Our opinion in terms of sub-section (3) and (11) of section 143 of the Act, on the Consolidated Financial Statements in so far as it relates to the amount as mentioned above and disclosures included in respect of the subsidiaries, is solely based on the report of the other independent auditors.

The Consolidated Financial Statements include Group's share of assets of Rs. 16.54 Mn as at 28 February 2023 and profit after tax of the Associate amounting to Rs. 0.16 Mn for the year ended 28 February 2023, which was not audited. Our opinion in terms of sub-section (3) and (11) of section 143 of the Act, on the Consolidated Financial Statements in so far as it relates to the amount as mentioned above and disclosures included in respect of the Associate, is solely based on the certification of the unaudited financials by the Management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- A. Since none of the Subsidiaries whose financials are included in the Consolidated Financial Statements, have been incorporated in India, the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, is not applicable to them and hence the requirement of indicating the details as required under paragraph 3 and 4 of the Order, does not arise.
- B. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

Independent Auditor's Report (Contd.)

2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
5. On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2023 and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31 March 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the Internal Financial Controls over financial reporting of the Holding Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting.
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations / claims against the Group as at 31 March 2023 on the Consolidated Financial Position of the Group - Refer note no.27 to the Consolidated Financial Statements.
 - ii. The Group and Associate company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred by the Holding Company to the Investor Education and Protection Fund.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries"), or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:
 - Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"), or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 (c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.
 - v. There is no dividend declared or paid during the year by the Holding Company and hence



Independent Auditor's Report (Contd.)

compliance under Section 123 of the Act does not arise.

- C. With respect to the matter to be included in the Audit report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- D. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit

log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **M.S. Jagannathan & N. Krishnaswami**

Chartered Accountants
Firm Registration No.: 001208S

K. Srinivasan

Partner
Membership No.: 021510
UDIN: 23021510BGTPFH4480

Chennai
17 May 2023

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards, of Ramco Systems Limited

Report on the Internal Financial Controls over the Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("Act")

OPINION

We have audited the Internal Financial Controls over financial reporting of the Holding Company as of 31 March 2023 in conjunction with our audit of the Consolidated Financial Statements for the year ended 31 March 2023. Our reporting of the Internal Financial Controls in the case of Consolidated Financial Statements is applicable only to the Holding Company, which has been audited by us.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, in all material aspects, has an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2023, based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

MANAGEMENT'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITIES

Our responsibility is to express an opinion on the Holding Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SAs") issued by ICAI and deemed to be prescribed under

section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls and both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's Internal Financial Controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



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

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that internal Financial Control over financial reporting may become inadequate because of changes in

For **M.S. Jagannathan & N. Krishnaswami**

Chartered Accountants

Firm Registration No.: 001208S

K. Srinivasan

Partner

Membership No.: 021510

UDIN: 23021510BGTPFH4480

Chennai

17 May 2023

Consolidated Balance Sheet

As at March 31, 2023

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
		Rs. Min.	USD Min.	Rs. Min.	USD Min.
ASSETS					
Non-current assets					
Property, plant and equipment	5	206.03	2.52	205.26	2.73
Right-of-use assets	6	618.82	7.57	496.62	6.59
Intangible assets	7	3,373.53	41.28	2,859.42	37.96
Investment in associate	8	16.54	0.26	16.38	0.25
Financial assets					
Investments	9.1	-	-	15.00	0.23
Trade receivables	9.2	2.35	0.03	50.28	0.67
Other financial assets	9.5	586.76	7.18	912.26	12.11
Tax assets (net)		11.89	0.14	61.30	0.81
Deferred tax assets (net)	10	218.74	2.68	31.03	0.41
Other non-current assets	11	1.04	0.01	13.71	0.19
		5,035.70	61.67	4,661.26	61.95
Current assets					
Financial assets					
Investments	9.1	100.31	1.23	-	-
Trade receivables	9.2	1,522.32	18.63	1,666.61	22.13
Cash and cash equivalents	9.3	156.06	1.91	100.51	1.33
Bank balances other than cash and cash equivalents	9.4	521.98	6.39	27.55	0.37
Other financial assets	9.5	527.20	6.45	748.65	9.94
Tax assets (net)		160.54	1.96	136.22	1.81
Other current assets	11	1,310.39	16.04	1,404.90	18.65
		4,298.80	52.61	4,084.44	54.23
		9,334.50	114.28	8,745.70	116.18
Total assets					
EQUITY AND LIABILITIES					
Equity					
Equity share capital	12	352.63	6.62	308.49	6.08
Other equity	13	4,978.79	58.59	5,497.69	71.03
Equity attributable to equity holders of the parent		5,331.42	65.21	5,806.18	77.11
Non-controlling interests		34.06	0.50	34.26	0.50
Total equity		5,365.48	65.71	5,840.44	77.61
Liabilities					
Non-current liabilities					
Financial liabilities					
Lease liabilities	14.2	549.68	6.73	442.93	5.88
Trade payables	14.3				
Total outstanding dues of creditors, other than micro and small enterprises		33.38	0.41	47.47	0.63
Provisions	15	251.94	3.08	254.45	3.38
Other non-current liabilities	16	15.47	0.19	22.51	0.30
		850.47	10.41	767.36	10.19
Current liabilities					
Financial liabilities					
Borrowings	14.1	380.00	4.65	-	-
Lease liabilities	14.2	134.43	1.65	112.99	1.50
Trade payables	14.3				
Total outstanding dues of micro and small enterprises		20.16	0.25	26.52	0.35
Total outstanding dues of creditors, other than micro and small enterprises		671.76	8.22	665.95	8.84
Other financial liabilities	14.4	4.06	0.05	20.69	0.27
Provisions	15	37.14	0.45	22.41	0.30
Liabilities for current tax		52.56	0.64	38.56	0.51
Other current liabilities	16	1,818.44	22.25	1,250.78	16.61
		3,118.55	38.16	2,137.90	28.38
		3,969.02	48.57	2,905.26	38.57
		9,334.50	114.28	8,745.70	116.18
Total equity and liabilities					
The accompanying policies and notes form an integral part of the financial statements					
Significant Accounting Policies, Judgments and Estimates	1-4				
Notes on Financial Statements	5-34				

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director
Vancouver, Canada

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 17, 2023

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary



Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

Particulars	Note No.	Year ended March 31, 2023		Year ended March 31, 2022	
		Rs. Min.	USD Min.	Rs. Min.	USD Min.
INCOME					
Revenue from operations	17	4,922.23	61.79	5,311.02	71.93
Finance income	18	44.14	0.55	79.18	1.07
Other income	19	10.95	0.14	13.57	0.18
Total income		4,977.32	62.48	5,403.77	73.18
EXPENSES					
Purchase of stock-in-trade		13.75	0.17	9.43	0.13
Changes in inventories of stock-in-trade		-	-	-	-
Employee benefits expense	20	3,415.57	42.87	2,958.74	40.07
Finance costs	21	99.61	1.25	54.19	0.73
Depreciation and amortization expense	22	808.24	10.15	753.18	10.20
Other expenses	23	2,847.06	35.74	2,362.34	31.99
Total expenses		7,184.23	90.18	6,137.88	83.12
Profit / (Loss) before share of profit of an associate		(2,206.91)	(27.70)	(734.11)	(9.94)
Share of Profit of an associate	8	0.16	-	1.04	0.01
Profit / (Loss) before tax		(2,206.75)	(27.70)	(733.07)	(9.93)
Income tax expense	10				
Current tax (includes MAT)		39.95	0.50	72.93	0.99
Deferred tax (includes MAT credit)		(178.11)	(2.23)	(76.70)	(1.04)
Total income tax expenses		(138.16)	(1.73)	(3.77)	(0.05)
Profit / (Loss) for the year		(2,068.59)	(25.97)	(729.30)	(9.88)
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) of defined benefit obligations		(10.41)	(0.13)	(12.18)	(0.17)
Income tax on above item(s)	10	3.03	0.04	3.55	0.05
Fair value gain / (loss) on Equity Instruments through OCI		(15.00)	(0.19)	-	-
		(22.38)	(0.28)	(8.63)	(0.12)
(ii) Items that may be reclassified to profit or loss					
Effect of change in functional currency of foreign operations		114.96	(4.08)	28.41	(2.10)
Income tax on above item(s)		-	-	-	-
		114.96	(4.08)	28.41	(2.10)
Other comprehensive income for the year (i + ii)		92.58	(4.36)	19.78	(2.22)
Total comprehensive income for the year		(1,976.01)	(30.33)	(709.52)	(12.10)
Profit / (Loss) for the year attributable to:					
a) Shareholders of the Company		(2,068.40)	(25.97)	(733.59)	(9.94)
b) Non-controlling interests		(0.19)	-	4.29	0.06
		(2,068.59)	(25.97)	(729.30)	(9.88)
Total comprehensive income for the year attributable to:					
a) Shareholders of the Company		(1,975.82)	(30.33)	(713.81)	(12.16)
b) Non-controlling interests		(0.19)	-	4.29	0.06
		(1,976.01)	(30.33)	(709.52)	(12.10)
Earnings per Equity Share of Rs.10 each, in Rs. and USD (calculated on profit for the year attributable to Shareholders of the Company)					
Basic		(65.60)	(0.82)	(23.87)	(0.32)
Diluted		(65.60)	(0.82)	(23.87)	(0.32)
Weighted average equity shares used in computing earnings per share					
Basic		31,530,253		30,738,261	
Diluted		31,530,253		30,738,261	
The accompanying policies and notes form an integral part of the financial statements					
Significant Accounting Policies, Judgments and Estimates	1-4				
Notes on Financial Statements	5-34				

As per our report annexed

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

P R VENKETRAMA RAJA
Chairman

SOUNDARA KUMAR
Director
Vancouver, Canada

K SRINIVASAN
Partner
Membership No.: 021510

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

Place: Chennai
Date: May 17, 2023

R RAVI KULA CHANDRAN
Chief Financial Officer

N E VIJAYA RAGHAVAN
Company Secretary

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

a. Equity share capital

	Nos. in Min.		Rs. Min.		USD Min.	
Equity shares of Rs. 10 each issued, subscribed and fully paid						
Balance as at April 01, 2021	30.71		307.49		6.06	
Changes in Equity Share Capital due to prior period errors	-		-		-	
Restated balance at the beginning of the previous reporting period	30.71		307.49		6.06	
Changes in Equity Share Capital during FY 2021-22 (refer note no.12)	0.10		1.00		0.02	
Balance as at March 31, 2022	30.81		308.49		6.08	
Changes in Equity Share Capital due to prior period errors	-		-		-	
Restated balance at the beginning of the previous reporting period	30.81		308.49		6.08	
Changes in Equity Share Capital during FY 2022-23 (refer note no.12)	4.41		44.14		0.54	
Balance as at March 31, 2023	35.22		352.63		6.62	

b. Other equity for the year ended March 31, 2023

Particulars	Share application money pending allotment		Securities premium		Employee stock options outstanding		Retained earnings		Currency translation reserve		Remeasurement gains / (losses) of defined benefit obligation		Items of OCI		Fair value gain / (loss) on Equity Instruments through OCI		Money received against Share Warrants		Total		Non-controlling interests		Total other equity			
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.		
As at April 01, 2022	-	-	6,675.75	120.87	198.48	3.34	(1,489.22)	(40.37)	112.68	(12.81)	-	-	-	-	-	-	-	-	-	-	5,497.69	71.03	34.26	0.50	5,531.95	71.53
Profit for the period	-	-	-	-	-	-	(2,068.40)	(25.97)	-	-	-	-	-	-	-	-	-	-	-	-	(2,068.40)	(25.97)	(0.19)	-	(2,068.59)	(25.97)
Other comprehensive income (OCI) / (losses)	-	-	-	-	-	-	-	114.96	(4.08)	-	(7.38)	(0.09)	(15.00)	(0.19)	-	-	-	-	-	-	92.58	(4.36)	-	-	92.58	(4.36)
Total comprehensive income / (losses)	-	-	6,675.75	120.87	198.48	3.34	(3,557.62)	(66.34)	227.64	(16.89)	(7.38)	(0.09)	(15.00)	(0.19)	-	-	-	-	-	-	3,521.87	40.70	34.06	0.50	3,555.94	41.20
Less: Transfer to Retained Earnings	-	-	-	-	-	-	(7.38)	(0.09)	-	-	7.38	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subscription to stock option schemes & preferential issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	1,156.86	14.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,156.86	14.16	-	-	1,156.86	14.16
Transfer on exercise of stock options	-	-	9.73	0.12	(9.73)	(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	200.05	2.51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.05	2.51	-	-	200.05	2.51
Money received against Share Warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00	1.22	-	-	100.00	1.22
As at March 31, 2023	-	-	7,842.34	135.15	388.80	5.73	(3,565.00)	(66.43)	227.64	(16.89)	-	-	(15.00)	(0.19)	100.00	1.22	4,978.79	58.59	34.06	0.50	5,012.85	59.09			5,012.85	59.09

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

Other equity for the year ended March 31, 2022

Particulars	Share application money pending allotment		Securities premium		Employee stock options outstanding		Reserves & Surplus		Currency translation reserve		Remeasurement gains/(losses) of defined benefit obligation		Items of OCI		Money received against Share Warrants		Total		Non-controlling interests		Total other equity	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2021	-	-	6,633.67	120.31	240.05	3.90	(747.00)	(30.31)	84.27	(10.71)	-	-	-	-	-	-	6,210.99	83.19	29.97	0.44	6,240.96	83.63
Profit for the period	-	-	-	-	-	-	(733.59)	(9.94)	-	-	-	-	-	-	-	-	(733.59)	(9.94)	4.29	0.06	(729.30)	(9.88)
Other comprehensive income (OCI) / (losses)	-	-	-	-	-	-	-	-	28.41	(2.10)	(8.63)	(0.12)	-	-	-	-	19.78	(2.22)	-	-	19.78	(2.22)
Total comprehensive income / (losses)	-	-	6,633.67	120.31	240.05	3.90	(1,480.59)	(40.25)	112.68	(12.81)	(8.63)	(0.12)	-	-	-	-	5,497.18	71.03	34.26	0.50	5,531.44	71.53
Less: Transfer to Retained Earnings	-	-	-	-	-	-	(8.63)	(0.12)	-	-	8.63	0.12	-	-	-	-	-	-	-	-	-	-
Subscription to stock option schemes & preferential issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	15.32	0.20	-	-	-	-	-	-	-	-	-	-	-	-	15.32	0.20	-	-	15.32	0.20
Transfer on exercise of stock options	-	-	26.76	0.36	(26.76)	(0.36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments for options granted	-	-	-	-	(14.81)	(0.20)	-	-	-	-	-	-	-	-	-	-	(14.81)	(0.20)	-	-	(14.81)	(0.20)
Money received against Share Warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	6,675.75	120.87	198.48	3.34	(1,489.22)	(40.37)	112.68	(12.81)	-	-	-	-	-	-	5,497.69	71.03	34.26	0.50	5,531.95	71.53

The accompanying policies and notes form an integral part of the financial statements.

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants

Firm Registration No.: 001208S

K SRINIVASAN

Partner

Membership No.: 021510

Place: Chennai

Date: May 17, 2023

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director
Vancouver, Canada

N EVIJAYA RAGHAVAN

Company Secretary



Consolidated Statement of Cash Flow

For the year ended March 31, 2023

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
A. Cash flow from operating activities:				
Profit / (loss) before tax	(2,206.91)	(27.70)	(734.11)	(9.94)
Adjustments for :				
Depreciation and impairment of property, plant and equipment (PPE)	89.29	1.12	78.75	1.07
Amortization and impairment of intangible assets	569.55	7.15	549.51	7.44
Leased assets - Depreciation, impairment and finance costs	197.25	2.48	176.33	2.38
Share based payment expense accrual / (reversal)	200.05	2.51	(14.81)	(0.20)
(Profit) / loss on sale of PPE (net)	0.62	0.01	0.65	0.01
Bad debts / provision for doubtful debts & advances, net	639.20	8.02	574.06	7.77
Remeasurement of defined benefit obligations	(10.41)	(0.09)	(12.18)	(0.17)
Effect of exchange difference on translation of deferred tax & fixed assets	(3.69)	2.96	(1.20)	0.96
Effect of change in foreign currency translation reserve	114.95	(4.21)	28.41	(2.09)
Unrealized exchange (gain) / loss	58.76	0.74	(1.76)	(0.02)
Finance and investment income	(36.32)	(0.45)	(59.39)	(0.80)
Finance costs	45.78	0.57	2.08	0.03
Grant income	-	-	(9.32)	(0.12)
Operating profit before working capital / other changes	(341.88)	(6.89)	577.02	6.32
Adjustments for :				
Increase / (decrease) in provisions	12.22	(0.15)	24.10	0.23
Increase / (decrease) in trade and other payables	(14.64)	(0.94)	129.44	1.46
Increase / (decrease) in other current liabilities	543.99	5.31	12.51	(0.36)
(Increase) / decrease in trade and other receivables	232.25	7.85	249.11	5.53
Cash generated from operations	431.94	5.18	992.18	13.18
Income tax paid	(29.02)	(0.37)	(73.77)	(1.02)
Net cash flow from / (used in) operating activities (A)	402.92	4.81	918.41	12.16
B. Cash flow from investing activities:				
Addition to tangible / intangible assets	(1,175.53)	(14.37)	(876.54)	(11.63)
Investment others	(100.31)	(1.23)	-	-
Effect of non-controlling interest	-	-	0.01	-
Proceeds from sale of PPE	1.38	0.02	2.24	0.03
Advance for issue of shares (refer note no.8.1 of the Standalone Financial Statements)	-	-	6.42	0.09
Short term fixed deposits placed with Banks	-	-	(0.18)	-
Interest income on loans and deposits	3.88	0.04	2.11	0.02
Receipt of government grants	-	-	15.03	0.20
Net cash flow from / (used in) investing activities (B)	(1,270.58)	(15.54)	(850.91)	(11.29)
C. Cash flow from financing activities:				
Proceeds from issue of Share Capital on account of issue of shares under employee stock option plans and preferential issue	1,201.01	14.82	16.32	0.22
Proceeds from long term borrowings	300.00	3.77	-	-
Proceeds from short term borrowings	4,786.15	60.08	623.03	8.44
Repayment of short term borrowings	(4,706.15)	(59.19)	(623.03)	(8.44)
Payment of lease liabilities	(191.27)	(2.47)	(166.04)	(2.26)
Finance costs paid	(45.78)	(0.57)	(2.08)	(0.03)
Finance income	32.44	0.41	57.28	0.78
Proceeds from issue of share warrants	100.00	1.22	-	-
Net cash flow from / (used in) financing activities (C)	1,476.40	18.07	(94.52)	(1.29)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	608.74	7.34	(27.02)	(0.42)



Consolidated Statement of Cash Flow

For the year ended March 31, 2023

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Effect of unrealized exchange (gain) / loss	(58.76)	(0.74)	1.76	0.02
Net cash generated / (used in) for the year	549.98	6.60	(25.26)	(0.40)
Cash and cash equivalents at the beginning of the year	128.06	1.70	153.32	2.10
Cash and cash equivalents as at the end of the year	678.04	8.30	128.06	1.70

Reconciliation of changes in liabilities arising from financing activities pertaining to borrowings (excluding bank overdraft):

Balance at the beginning of the year				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Sub total	-	-	-	-
Cash flows during the year				
Movement in long term borrowings				
Proceeds	300.00	3.77	-	-
Repayment	-	-	-	-
Foreign exchange	-	(0.09)	-	-
Movement in short term borrowings				
Proceeds	4,786.15	60.08	623.03	8.44
Repayment	(4,706.15)	(59.19)	(623.03)	(8.44)
Foreign exchange	-	0.08	-	-
Interest and finance charges on loans	45.78	0.57	2.08	0.03
Interest and finance charges on loans paid	(45.78)	(0.57)	(2.08)	(0.03)
Sub total	380.00	4.65	-	-
Balance at the end of the year				
Long term borrowings	300.00	3.68	-	-
Short term borrowings	80.00	0.97	-	-
Sub total	380.00	4.65	-	-

Reconciliation of cash and cash equivalents as per the cash flow statement:

Cash and cash equivalents (refer note no.9.3)	156.06	1.91	100.51	1.33
Bank balances other than cash and cash equivalents (refer note no.9.4)	521.98	6.39	27.55	0.37
Balance as per statement of cash flows	678.04	8.30	128.06	1.70

Reconciliation between the opening and closing balances of lease liabilities:

Balance at the beginning of the year	555.92	7.38	628.22	8.60
Payment of lease liabilities	(191.27)	(2.47)	(166.04)	(2.26)
Non-cash movements	319.46	3.47	93.74	1.04
Balance at the end of the year	684.11	8.38	555.92	7.38

The accompanying policies and notes form an integral part of the financial statements.

As per our report annexed

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

K SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date: May 17, 2023

P R VENKETRAMA RAJA
Chairman

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director

R RAVI KULA CHANDRAN
Chief Financial Officer

SOUNDARA KUMAR
Director
Vancouver, Canada

N E VIJAYA RAGHAVAN
Company Secretary

Notes to Consolidated Financial Statements

For the year ended March 31, 2023

1. GROUP INFORMATION

The consolidated financial statements comprise financial statements of Ramco Systems Limited, India (the “Company” or the “Parent”) and its subsidiaries (collectively, “Group”) and affiliate as given below for the year ended March 31, 2023.

Sl. no.	Name	Country	% holding by the Parent	Year ending on
Subsidiaries				
1	Ramco Systems Corporation	USA	98%	31st March
2	Ramco Systems Ltd.	Switzerland	100%	31st March
3	Ramco Systems Sdn. Bhd.	Malaysia	100%	31st March
4	Ramco Systems Pte. Ltd.	Singapore	100%	31st March
5	RSL Enterprise Solutions (Pty) Ltd.	South Africa	100%	31st March
6	Ramco Systems Canada Inc. (Step-down subsidiary of sl. no. (1) above)	Canada	98%	31st March
7	Ramco Systems FZ-LLC	Dubai	100%	31st March
8	R S L Software Co. Ltd.	Sudan	100%	31st March
9	Ramco Systems Australia Pty Ltd.	Australia	100%	31st March
10	Ramco System Inc.	Philippines	100%	31st March
11	Ramco Systems (Shanghai) Co. Ltd.	China	100%	31st March
12	Ramco System Vietnam Company Limited	Vietnam	100%	31st March
13	PT Ramco Systems Indonesia	Indonesia	100%	31st March
14	Ramco Systems Macau Limited (Step-down subsidiary of sl. no. (4) above)	Macao	100%	31st March
15	Ramco Software Japan Limited	Japan	100%	31st March
16	Ramco Systems Defense and Security Incorporated (Step-down subsidiary of sl. no. (1) above)	USA	98%	31st March
17	Ramco Middle East for Information Technology (incorporated on April 01, 2022)	Saudi Arabia	100%*	31st March
18	Ramco System LLC (incorporated on December 27, 2022)	Qatar	100%*	31st March

* Investments in the equity of these subsidiaries incorporated during the year, have yet to be made.

Associate / Affiliate

a	CityWorks (Pty.) Limited, South Africa (Associate of sl. no. (5) above)	South Africa	30%	28th February
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The Company is a public limited company domiciled and headquartered in India and incorporated on February 19, 1997 under the provisions of Companies Act, 1956. Its shares are listed in BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at No. 47, P.S.K Nagar, Rajapalayam, 626108 and corporate office and R&D center is located at 64, Sardar Patel Road, Taramani, Chennai, 600113.

The Company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like core ERP, Human Resource & Payroll, Aviation Maintenance Repair and overhaul, Logistics, Services Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or hosted on cloud. The subsidiary companies are involved in selling / implementing / supporting the products developed by the Parent.

The consolidated financial statements for the year ended March 31, 2023 were approved and adopted by the Board of Directors of the Company in its meeting held on May 17, 2023.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) (to the extent notified), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Pursuant to General Circular No.39/2014 dated October 14, 2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

2.3 The consolidated financial statements have been prepared on the historical cost convention on accrual basis except certain financial instruments and defined benefit plan assets, share based payments that are measured at fair values or at amortized cost at the end of each reporting period.

2.4 An asset is treated as current when it is:

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

All other assets are classified as non-current.

2.5 A liability is current when:

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

All other liabilities are classified as non-current.

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

2.7 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.8 The consolidated financial statements are presented in Indian Rupees (i.e., the functional currency of the Parent) as well as in United States Dollars (USD) and all values are rounded to the nearest millions, except when otherwise indicated. Figures less than ten thousands are shown as nil.

2.9 Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Group and Affiliate. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect

those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control.

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

The financial statements of subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The financial statements of the Affiliate have been consolidated using the Equity Method. The most recent available financial statements of the associate is used in applying the Equity Method.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: a) the amount of equity attributable to the non-controlling interest at the dates on which investment in a subsidiary is made; and b) the share of movements in equity of non-controlling interest since the date the parent-subsidiary relationship came into existence.

Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Parent's functional currency, as well as in USD. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the spot rate on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not reinstated at each balance sheet date.

Translation of financial statements of foreign branches

All transactions of the foreign branch are recorded in their respective functional currencies.

Income and expenditure transactions during the year are reported at a monthly moving average exchange rate for the respective periods. All assets and liabilities are translated at the rate prevailing on the Balance Sheet date. Net gain / loss on foreign currency translation is recognized in the OCI.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the monthly moving average exchange rates applicable for the year. The equity share capital is stated at the exchange rate at the date of the investment. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in consolidated statement of profit or loss.

3. ACCOUNTING POLICIES

3.1 Significant accounting policies

a. Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognizes the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statement of profit or loss.

b. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

c. Revenue recognition

The Group derives revenues from Software Solutions & Services. Revenues are derived from the following streams:

- (1) Revenue from Software Products, in the form of (a) Software Licensing (b) Subscription for Software as a Service (c) Product Support Services and (d) Application Maintenance Services;
- (2) Revenue from Software Services, in the form of (a) Implementation / Professional Services (b) Managed Services;
- (3) Revenue from Resale of Hardware & Software.

Revenue is measured based on the transaction price, which is the consideration, adjusted for financing components and volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customers.

Revenue is recognized in the profit and loss account upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services or products and excluding taxes or duties. To recognize revenues, the Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Group allocates the contract value to separately identifiable performance obligations based on their relative standalone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Group is unable to determine the standalone selling price, the Group uses expected cost-plus margin approach in estimating the standalone selling price.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided. The method for recognizing revenues depends on the nature of the products sold / services rendered:

- (1) Revenue from Software Products
 - (a) Software Licensing

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.
 - (b) Subscription for Software as a Service

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.
 - (c) Product Support Services

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.
 - (d) Application Maintenance Services

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.
- (2) Revenue from Software Services
 - (a) Implementation / Professional Services

Software Implementation / Professional Services contracts are either fixed price or time and material based.

Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognized using the "percentage of completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Where the Software is required to be substantially customized as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognized using the percentage of completion method as the implementation services are performed.

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

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

Any change in scope or price is considered as a contract modification. The Group



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(b) Managed Services

Fees for managed services, which include business processing services, are recognized as revenue as the related services are performed.

(3) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognized on transfer of significant risks, rewards and control to the customer.

Contract assets, liabilities and financing arrangements

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue).

Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue).

A contract liability is an entity's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue).

The Group assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Group does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

d. Finance income

Interest on bank deposits is recognized on accrual basis.

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

e. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grant related to income is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grant related to an asset is recognized as income in equal amounts over the expected useful life of the related asset.

f. Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates as per the provisions of the Income tax Act, 1961 for the Company and other applicable tax laws in the countries where the Group operates and generate taxable income. Current income tax payable by overseas branches of the Company if any is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income, and if not available, charged off in the profit and loss account.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognized as an asset viz., MAT credit

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the “MAT credit entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period.

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

Deferred tax is recognized using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

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

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

g. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals,

the Group depreciates them separately based on their specific useful lives.

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

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

Depreciation in the books of subsidiaries is charged on a pro-rata basis on the Straight line Method over the useful life of the assets.

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

Asset type	Useful life in years
Building	60
Laptops and desktops	3 to 5
Server and networks	6
Furniture and fixtures	5 to 16
Office equipments	3 to 7
Electrical items	5 to 10
Vehicles	8

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Right-of-use assets

Leases

The Group has adopted Ind AS 116 “Leases” with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases & related interpretation & guidance. The Group has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019. The Group’s lease asset classes primarily consist of leases for land, buildings and office equipments.



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Policy applicable from April 01, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use ("ROU") assets

The Group recognizes right-of-use assets at the commencement date, except short term leases and low value leases. The Group's lease asset classes primarily consist of leases for Land, Buildings and Office equipments. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term. They are subsequently measured at cost less accumulated depreciation and impairment losses.

For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

b) Lease liabilities

The Group recognizes lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable,

variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the initial application date i.e., April 01, 2019, because the interest rate implicit in the lease is not readily determinable. In respect of subsequent leases, the incremental borrowing rates are determined periodically, to calculate the present value of lease payments. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Short term leases and leases of low-value assets

The Group applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

It also applies the lease of low-value assets recognition exemption to such leases that are considered to be of low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

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

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

on intangible assets with finite lives is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is de-recognized.

Software development costs

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

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

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

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

**Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

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

Patents

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

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

Asset type	Useful life in years
Self-generated R&D (Product software & Technology platform)	10
Computer software	Lower of license period and 3 to 6
Patents	10

j. Borrowing costs

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

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

k. Inventories

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

Cost includes bringing the inventories to their present location and condition and is determined based on FIFO method. Net realizable value is the estimated

selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Group's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the consolidated statement of profit and loss.

m. Provisions, contingent liabilities and contingent assets

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

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

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or it is not probable that an outflow of resources embodying economic benefits

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

will be required to settle the obligation and the same are not recognized but disclosed in the consolidated financial statements.

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

n. Employee benefits expense

Short term employee benefits

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

Defined contribution plans of the Company Superannuation

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

National pension system

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

Provident fund

In addition to the above benefits, all employees receive benefits from a provident fund, which is defined

contribution plan. Both the employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's basic salary. These contributions are made to the employees' provident fund maintained by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plans of the Company

Gratuity

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

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

Leave encashment

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

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

o. Financial instruments

1. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
2. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Group has a legal right to offset the recognized amounts and intends

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3. The Group initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Group. When the Group reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Group does not restate any previously recognized gains, losses including impairment gains or losses or interest.

Financial assets

4. Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
5. Depending on the business model (i.e.,) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
 - a) Amortized cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL).

Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

6. The Group has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business model
Amortized cost	The objective of the Group is to hold and collect the contractual cash flows till maturity. In other words, the Group do not intend to sell the instrument before its contractual maturity to realize its fair value changes.
FVTOCI	The objective of the Group is to collect its contractual cash flows and selling financial assets.

Investment in equity of associate is carried at cost. The Group has opted to use the previous GAAP carrying amount as cost, as at the date of transition to Ind AS. The Group has exercised an irrevocable option at the time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Group classifies its financial assets for measurement as below:

Classification	Names of financial assets
Amortized cost	Trade receivables, loans and advances, deposits, grants, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity instrument in companies other than associate as an option exercise at the time of initial recognition.
FVTPL	Investment in mutual funds, forward exchange contracts.

7. Financial assets are de-recognized (i.e.,) removed from the consolidated financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Group also de-recognizes when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
 - a) Significant risk and rewards of the financial asset, or
 - b) Control of the financial asset.

However, the Group continue to recognize the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Group has applied the de-recognition requirements prospectively.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

8. Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the consolidated statement of profit and loss.
9. For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the lifetime. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Financial liabilities

10. Financial liabilities comprise of Borrowings, Trade payables, Derivative financial instruments, Financial guarantee obligation and Other financial liabilities.
11. The Group measures its financial liabilities as below:

Measurement basis	Names of financial liabilities
Amortized cost	Borrowings, Trade payables, Interest accrued, Security deposits and Other financial liabilities not for trading.
FVTPL	Foreign exchange forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

12. Financial liabilities are de-recognized when and only when it is extinguished (i.e.,) when the obligation specified in the contract is discharged or cancelled or expired.
13. Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognized in the consolidated statement of profit and loss.

p. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into cash.

q. Cash dividend

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

r. Cash flow statement

Cash flows are presented using indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Share based payments

Stock options granted to the option grantees of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the options are granted. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The modification fair value is recognized as an employee expense equally over the vesting period and the incremental fair value resulting from modification of the scheme, is recognized over the vesting period remaining after the modification date.

Graded vesting options

If the options vest in instalments (i.e., the options vest pro rata over the vesting period), then each instalment is treated as a separate share option grant because each installment has a different vesting period.

t. Earnings per share (EPS)

Net profit after tax is divided by the weighted average number of equity shares outstanding. When an item of income or expense which is otherwise required to be recognized in the consolidated statement of profit and loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net Profit for the purpose of computing EPS. Basic EPS amounts are calculated by dividing the consolidated profit for the year attributable to equity holders of the Parent by the weighted average number of Equity Shares outstanding during the year.

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

u. Operating segments

The Group's business operation comprises of single operating segment viz., Software and related

solutions. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

v. Assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies Ind AS Rules as issued from time to time. On March 31, 2023, MCA amended the Companies Ind AS Amendment Rules, 2023 as detailed below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of these amendments is from April 01, 2023. The Group does not expect that, these amendments will have any significant impact in its financial statements.

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

4. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires the Group's management ("management") to make judgments, estimates and assumptions that affect

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories, other financial / other non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information from market sources on the expected future performance of the Group. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements due to prevailing uncertainties.

The management has applied the following estimates / assumptions / judgments in preparation and presentation of financial statements:

Property, plant and equipment (PPE) and intangible assets

The residual values and estimated useful life of PPEs and intangible assets are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation / amortization / impairment.

Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgment by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred tax asset (including MAT credit entitlement)

Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognized, based upon the likely timing and

the level of future taxable profits together with future tax planning strategies.

Contingent liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of financial assets

The impairment of financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

Impairment of non-financial assets (PPE / intangible assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

Impairment of investments in associate

Significant management judgment is exercised in determining whether the investment in associate is impaired or not, is on the basis of its nature of long term strategic investments and other business considerations.

Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Share based payments

The Group initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

Revenue recognition

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Group applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Group exercises judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgment is also required to determine the transaction price for the contract.

The Group uses judgment to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling

price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment or which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building		Laptops and desktops		Servers and networks		Furniture and fixtures		Office equipments		Electrical items		Vehicles		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross carrying value																
As at April 01, 2021	3.12	0.04	356.89	4.88	161.44	2.20	77.70	1.06	133.55	1.83	16.88	0.24	37.57	0.51	787.15	10.76
Additions	-	-	62.00	0.82	24.37	0.32	0.37	0.01	0.45	0.01	0.01	-	5.76	0.08	92.96	1.24
Disposals	-	-	(0.65)	(0.01)	-	-	(0.44)	(0.01)	-	-	(0.05)	-	(5.10)	(0.07)	(6.24)	(0.09)
Exchange difference	-	-	4.59	(0.08)	0.01	(0.05)	1.19	(0.01)	1.59	(0.04)	0.06	(0.02)	-	(0.01)	7.44	(0.21)
As at March 31, 2022	3.12	0.04	422.83	5.61	185.82	2.47	78.82	1.05	135.59	1.80	16.90	0.22	38.23	0.51	881.31	11.70
Additions	-	-	39.18	0.48	9.10	0.11	9.29	0.11	1.88	0.02	0.21	-	32.22	0.39	91.88	1.11
Disposals	-	-	(12.03)	(0.15)	(0.25)	-	(1.19)	(0.01)	(0.26)	-	(1.06)	(0.01)	(3.78)	(0.05)	(18.57)	(0.22)
Exchange difference	-	-	12.53	(0.28)	0.03	(0.20)	2.20	(0.06)	5.40	(0.08)	0.16	(0.01)	(0.01)	(0.03)	20.31	(0.66)
As at March 31, 2023	3.12	0.04	462.51	5.66	194.70	2.38	89.12	1.09	142.61	1.74	16.21	0.20	66.66	0.82	974.93	11.93
Depreciation																
As at April 01, 2021	1.99	0.03	291.44	3.99	91.72	1.26	57.01	0.77	117.15	1.60	12.65	0.17	21.41	0.29	593.37	8.11
For the year	0.05	-	40.74	0.56	21.36	0.29	4.52	0.06	7.55	0.10	1.03	0.01	3.50	0.05	78.75	1.07
Disposals	-	-	(0.26)	-	-	-	(0.13)	-	-	-	(0.05)	-	(2.90)	(0.04)	(3.34)	(0.04)
Exchange difference	-	-	4.45	(0.09)	0.01	(0.05)	1.12	-	1.61	(0.02)	0.07	-	0.01	(0.01)	7.27	(0.17)
As at March 31, 2022	2.04	0.03	336.37	4.46	113.09	1.50	62.52	0.83	126.31	1.68	13.70	0.18	22.02	0.29	676.05	8.97
For the year	0.05	-	51.16	0.65	22.39	0.28	4.99	0.06	5.11	0.06	0.94	0.01	4.65	0.06	89.29	1.12
Disposals	-	-	(11.94)	(0.15)	(0.25)	-	(0.87)	(0.01)	(0.25)	-	(0.71)	(0.01)	(2.56)	(0.03)	(16.58)	(0.20)
Exchange difference	-	-	12.26	(0.21)	0.03	(0.12)	2.40	(0.04)	5.29	(0.07)	0.17	(0.01)	(0.01)	(0.03)	20.14	(0.48)
As at March 31, 2023	2.09	0.03	387.85	4.75	135.26	1.66	69.04	0.84	136.46	1.67	14.10	0.17	24.10	0.29	768.90	9.41
Carrying value																
As at March 31, 2022	1.08	0.01	86.46	1.15	72.73	0.97	16.30	0.22	9.28	0.12	3.20	0.04	16.21	0.22	205.26	2.73
As at March 31, 2023	1.03	0.01	74.66	0.91	59.44	0.72	20.08	0.25	6.15	0.07	2.11	0.03	42.56	0.53	206.03	2.52

6. RIGHT-OF-USE ASSETS

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Gross carrying value								
As at April 01, 2021	803.49	11.00	19.04	0.25	4.02	0.05	826.55	11.30
Additions	48.60	0.65	-	-	1.54	-	50.14	0.65
Disposals	(23.49)	(0.31)	-	-	-	-	(23.49)	(0.31)
Exchange difference	2.39	(0.31)	-	-	-	0.02	2.39	(0.29)
As at March 31, 2022	830.99	11.03	19.04	0.25	5.56	0.07	855.59	11.35
Additions	288.38	3.53	-	-	2.24	0.03	290.62	3.56
Disposals	(54.57)	(0.67)	-	-	-	-	(54.57)	(0.67)
Exchange difference	7.27	(0.77)	-	(0.02)	-	-	7.27	(0.79)
As at March 31, 2023	1,072.07	13.12	19.04	0.23	7.80	0.10	1,098.91	13.45
Depreciation								
As at April 01, 2021	234.52	3.20	9.53	0.13	3.30	0.04	247.35	3.37
For the year	118.57	1.61	4.76	0.06	1.59	0.02	124.92	1.69
Disposals	(15.44)	(0.20)	-	-	-	-	(15.44)	(0.20)
Exchange difference	2.13	(0.11)	-	-	0.01	0.01	2.14	(0.10)
As at March 31, 2022	339.78	4.50	14.29	0.19	4.90	0.07	358.97	4.76
For the year	143.12	1.80	4.75	0.06	1.53	0.02	149.40	1.88
Disposals	(32.37)	(0.40)	-	-	-	-	(32.37)	(0.40)
Exchange difference	4.09	(0.33)	-	(0.02)	-	(0.01)	4.09	(0.36)
As at March 31, 2023	454.62	5.57	19.04	0.23	6.43	0.08	480.09	5.88
Carrying value								
As at March 31, 2022	491.21	6.53	4.75	0.06	0.66	-	496.62	6.59
As at March 31, 2023	617.45	7.55	-	-	1.37	0.02	618.82	7.57



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

7. INTANGIBLE ASSETS

Particulars	Technology platform		Product software		Computer software		Patents		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Gross carrying value										
As at April 01, 2021	1,793.18	24.54	5,083.46	69.58	227.02	3.11	14.23	0.20	7,117.89	97.43
Additions	120.99	1.61	607.43	8.06	55.14	0.73	-	-	783.56	10.40
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	(0.01)	(0.74)	-	(2.08)	0.65	(0.08)	-	(0.01)	0.64	(2.91)
As at March 31, 2022	1,914.16	25.41	5,690.89	75.56	282.81	3.76	14.23	0.19	7,902.09	104.92
Additions	215.43	2.64	817.56	10.00	50.66	0.62	-	-	1,083.65	13.26
Deletions	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	(1.99)	-	(5.92)	1.83	(0.27)	-	(0.02)	1.83	(8.20)
As at March 31, 2023	2,129.59	26.06	6,508.45	79.64	335.30	4.11	14.23	0.17	8,987.57	109.98
Amortization										
As at April 01, 2021	1,199.90	16.42	3,104.60	42.51	175.54	2.40	12.47	0.17	4,492.51	61.50
For the year	115.84	1.57	368.56	4.98	60.43	0.82	0.57	0.01	545.40	7.38
Impairment loss	-	-	4.11	0.06	-	-	-	-	4.11	0.06
Exchange difference	-	(0.52)	(0.01)	(1.38)	0.65	(0.07)	0.01	(0.01)	0.65	(1.98)
As at March 31, 2022	1,315.74	17.47	3,477.26	46.17	236.62	3.15	13.05	0.17	5,042.67	66.96
For the year	116.26	1.46	388.27	4.87	57.67	0.72	0.44	0.01	562.64	7.06
Impairment loss	-	-	6.91	0.09	-	-	-	-	6.91	0.09
Exchange difference	-	(1.41)	(0.01)	(3.75)	1.83	(0.24)	-	(0.01)	1.82	(5.41)
As at March 31, 2023	1,432.00	17.52	3,872.43	47.38	296.12	3.63	13.49	0.17	5,614.04	68.70
Carrying value										
As at March 31, 2022	598.42	7.94	2,213.63	29.39	46.19	0.61	1.18	0.02	2,859.42	37.96
As at March 31, 2023	697.59	8.54	2,636.02	32.26	39.18	0.48	0.74	-	3,373.53	41.28

8. INVESTMENT IN ASSOCIATE / AFFILIATE

RSL Enterprise Solutions (Pty) Ltd., South Africa (RSSA) is wholly owned subsidiary of Ramco Systems Limited, India, the holding company. RSSA holds 30% (PY 30%) shares in CityWorks (Pty.) Limited, South Africa, which is involved in the business of Information Technology Solutions. The Group's interest in immaterial associate, accounted for using the equity method in the consolidated financial statement is as below:

Particulars	Year ended February 28, 2023		Year ended February 28, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Group's share in:				
Profit after tax	0.16	-	1.04	0.01
Other comprehensive income	-	-	-	-
Total comprehensive income (TCI)	0.16	-	1.04	0.01

Aggregate value of unquoted equity investments in trade, long term, 600 shares (PY 600) of face value ZAR 1 each:

Particulars	As at February 28, 2023		As at February 28, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Opening carrying amount	16.38	0.25	15.35	0.24
Group's share of profit in TCI	0.16	-	1.04	0.01
Exchange difference	-	0.01	(0.01)	-
Closing carrying amount	16.54	0.26	16.38	0.25
Aggregate amount of impairment in the value of investment	-	-	-	-

The accounting period of the associate is March to February. The equity adjustment is considered based on the financials prepared by the associate for the said period and no further adjustments considered as they are not material.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

FINANCIAL ASSETS

9.1 INVESTMENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)				
Non-current				
2,335 Shares in SmartMegh Solutions Private Limited, India of face value of Rs.10 each (as at March 31, 2022 2,335 Shares @ Rs.10 each)	15.00	0.23	15.00	0.23
Less: Allowance for impairment loss	15.00	0.23	-	-
	-	-	15.00	0.23
Aggregate value of unquoted investment	15.00	0.23	15.00	0.23
Aggregate value of impairment in value of investment	15.00	0.23	-	-
Current				
Investments (designated at FVTPL)				
Investment in Mutual Funds*	100.31	1.23	-	-
	100.31	1.23	-	-
Aggregate value of unquoted investments	100.31	1.23	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

* represents the market value of the investment made out of the surplus from the proceeds of Preferential Issue 2022, temporarily parked pending utilization towards the objects of the issue.

9.2 TRADE RECEIVABLES

Unsecured, considered good				
Non-current				
Trade receivables - other than related parties	2.61	0.03	53.03	0.71
Unsecured, considered doubtful				
Trade receivables - other than related parties	343.91	4.21	108.30	1.44
	346.52	4.24	161.33	2.15
Less: Allowance for impairment loss	344.17	4.21	111.05	1.48
	2.35	0.03	50.28	0.67
Current				
Unsecured, considered good				
Trade receivables - associate	6.08	0.07	16.62	0.22
Trade receivables - other related parties	23.45	0.29	14.59	0.19
Trade receivables - other than related parties	1,614.24	19.76	1,729.56	22.96
	1,643.77	20.12	1,760.77	23.37
Less: Allowance for impairment loss	121.45	1.49	94.16	1.24
	1,522.32	18.63	1,666.61	22.13

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days, except the contracts which are entered with deferred credit terms.

Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note no.24. For details, terms and conditions relating to related party receivables, refer note no. 24.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

9.2 Trade receivables (Contd.) Trade receivables ageing schedule

Particulars	As at March 31, 2023														Unbilled revenue (refer note no. 9.5)		
	Outstanding for following periods from due date of payment																
	Not due		Less than 6 months		6 months -1 year		1-2 years		2-3 years		More than 3 years		Total		Rs. Mln.	USD Mln.	
Non-current																	
i) Undisputed trade receivables – considered good	2.61	0.03	-	-	-	-	-	-	-	-	-	-	-	2.61	0.03	570.03	6.98
ii) Undisputed trade receivables – considered doubtful	0.01	-	-	0.29	-	65.71	0.80	33.29	0.41	228.98	2.80	328.28	4.01	345.92	4.23		
iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	15.63	0.20	15.63	0.20	-	-	-	-
	2.62	0.03	-	0.29	-	65.71	0.80	33.29	0.41	244.61	3.00	346.52	4.24	915.95	11.21		
Less: Allowance for impairment loss												344.17	4.21	384.62	4.70		
												2.35	0.03	531.33	6.51		
Current																	
i) Undisputed trade receivables – considered good	855.71	10.47	309.45	3.79	78.81	0.96	112.71	1.38	27.05	0.33	260.04	3.19	1,643.77	20.12	493.64	6.04	
ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	855.71	10.47	309.45	3.79	78.81	0.96	112.71	1.38	27.05	0.33	260.04	3.19	1,643.77	20.12	493.64	6.04	
Less: Allowance for impairment loss													121.45	1.49	30.39	0.37	
													1,522.32	18.63	463.25	5.67	

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

**9.2 Trade receivables (Contd.)
Trade receivables ageing schedule (Contd.)**

Particulars	As at March 31, 2022														Unbilled revenue (refer Note no. 9.5)	
	Outstanding for following periods from due date of payment															
	Not due		Less than 6 months		6 months -1 year		1-2 years		2-3 years		More than 3 years		Total			
Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	
Non-current																
i) Undisputed trade receivables – considered good	9.54	0.13	1.86	0.02	0.93	0.01	19.18	0.26	4.22	0.06	17.30	0.23	53.03	0.71	929.82	12.35
ii) Undisputed trade receivables – considered doubtful	-	-	0.35	0.01	2.48	0.03	7.26	0.10	15.37	0.20	67.20	0.89	92.66	1.23	227.37	3.02
iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	15.64	0.21	15.64	0.21	-	-
	9.54	0.13	2.21	0.03	3.41	0.04	26.44	0.36	19.59	0.26	100.14	1.33	161.33	2.15	1,157.19	15.37
Less: Allowance for impairment loss													111.05	1.48	289.03	3.84
													50.28	0.67	868.16	11.53
Current																
i) Undisputed trade receivables – considered good	710.96	9.44	409.79	5.44	61.10	0.81	166.75	2.21	37.48	0.50	374.69	4.97	1,760.77	23.37	737.28	9.79
ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	710.96	9.44	409.79	5.44	61.10	0.81	166.75	2.21	37.48	0.50	374.69	4.97	1,760.77	23.37	737.28	9.79
Less: Allowance for impairment loss													94.16	1.24	42.66	0.57
													1,666.61	22.13	694.62	9.22



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

9.3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Cash on hand	0.57	0.01	0.28	-
Balances with Banks	155.49	1.90	100.23	1.33
	156.06	1.91	100.51	1.33

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

9.4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Fixed deposits with Banks*	467.39	5.72	-	-
Balance with Bank in Unspent CSR account (refer standalone note no.25)	7.38	0.09	-	-
Balances held in the bank on behalf of customers	47.21	0.58	27.55	0.37
	521.98	6.39	27.55	0.37

* represents the investment made out of the surplus from the proceeds of Preferential Issue 2022, temporarily parked, pending utilization towards the objects of the issue and interest accrued thereon.

9.5 OTHER FINANCIAL ASSETS

Unsecured, considered good				
Non-current				
Unbilled licenses revenue	570.03	6.98	929.82	12.35
Security deposit	48.62	0.59	42.36	0.56
Employee advances	2.44	0.03	1.74	0.02
Fixed deposits with banks (maturity of 12 months and above)	4.37	0.05	-	-
Unsecured, considered doubtful				
Unbilled licenses revenue	345.92	4.23	227.37	3.02
	971.38	11.88	1,201.29	15.95
Less: Allowance for impairment loss	384.62	4.70	289.03	3.84
	586.76	7.18	912.26	12.11
Current				
Unbilled licenses revenue	493.64	6.04	737.28	9.79
Security deposit	13.80	0.17	3.33	0.04
Employee advances	38.74	0.47	27.45	0.37
Foreign currency forward contract	-	-	0.01	-
Government grant receivable	7.06	0.09	16.39	0.22
Bank deposits held as margin money	4.26	0.05	6.77	0.09
Balance with Banks in share issue accounts	0.09	-	0.08	-
	557.59	6.82	791.31	10.51
Less: Allowance for impairment loss	30.39	0.37	42.66	0.57
	527.20	6.45	748.65	9.94

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

10. TAXES

(a) Deferred tax (asset) / liability*

Rs. Min.

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	938.00	794.46	143.54	59.87
Tax impact on unutilized carry forward losses	(692.59)	(361.69)	(330.90)	(56.44)
Tax effect of provision for gratuity	(5.14)	(6.02)	0.88	(1.60)
Tax effect of provision for compensated absences	(32.04)	(29.50)	(2.54)	(2.70)
Tax effect of provision for bad and doubtful debts / advances	(123.12)	(71.83)	(51.29)	(24.43)
Tax impact on foreign exchange differences	2.74	(0.03)	2.77	1.98
Tax impact on all other items	(143.59)	(113.42)	(30.17)	(54.53)
Tax impact on remeasurement gains / (losses) on defined benefit obligations (under OCI)	1.42	4.45	(3.03)	(3.55)
Impact of foreign exchange on conversion of overseas entities	-	-	8.21	1.15
Deferred tax (asset) / liability (net)	(54.32)	216.42		
Deferred tax (income) / expense (net)			(262.53)	(80.25)

* To the extent considered by the Group. Deferred tax assets have not been considered by the subsidiaries other than USA and Philippines subsidiaries (PY USA, Philippines and Singapore subsidiaries), since it was not probable that sufficient future taxable profits will be available to adjust the accumulated losses.

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

Rs. Min.

Particulars	Balance sheet as at	
	March 31, 2023	March 31, 2022
i) Deferred tax (asset) / liability		
Opening balance	216.42	297.82
Deferred tax (income) / expense during the year recognized in statement of profit and loss	(259.50)	(76.70)
Deferred tax (income) / expense during the year recognized in OCI	(3.03)	(3.55)
Impact of foreign exchange on conversion of overseas entities	(8.21)	(1.15)
Closing balance	(54.32)	216.42
ii) MAT credit		
Opening balance	(685.25)	(685.33)
MAT credit for the current / previous year(s) including rounding off	1.64	0.08
Closing balance	(683.61)	(685.25)
iii) Provision for MAT credit *		
Opening balance	437.80	437.80
Provision for the current / previous year(s)	81.39	-
Closing balance	519.19	437.80
Total deferred tax (asset) / liability (i + ii + iii)	(218.74)	(31.03)
<i>In USD Mln.</i>	<i>(2.68)</i>	<i>(0.41)</i>

* represents provision for MAT credit created by the Parent Company, because of the utilization of foreign WHT for the discharge of MAT liability, which is denied by virtue of insertion of proviso to sub section 2A of section 115JAA of the Income Tax Act, 1961 and had filed a Writ petition challenging the said proviso in The Honorable High Court of Madras and provision for un-utilizable MAT credit. The Parent Company will continue to make provision for such MAT credit availed, until disposal of the case.



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

10. Taxes (Contd.)

(c) Components of tax expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Rs. Mln.	Rs. Mln.
i) Statement of profit and loss		
Current tax		
Current Income Tax charge (including MAT)	39.95	72.93
Deferred tax		
Relating to the origination and reversal of temporary differences	(259.50)	(76.70)
MAT credit for the current / previous year(s)	-	-
Provision for MAT credit (refer note no.10(b)(iii) above)	81.39	-
Total tax (income) / expense reported in statement of profit and loss	(138.16)	(3.77)
ii) Other comprehensive income (OCI)		
Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations	(3.03)	(3.55)
Total tax (income) / expense	(3.03)	(3.55)
iii) Total tax (income) / expense reported in the total comprehensive income	(141.19)	(7.32)

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarized below:

Accounting profit / (loss) before tax	(2,206.91)	(734.11)
Less: Adjustment from carry forward losses / non-taxable loss	(1,252.13)	(576.31)
Profit / (loss) considered for taxation	(954.78)	(157.80)
Corporate tax rate %	29.12%	29.12%
Computed tax expense / (income)	(278.03)	(45.95)
Increase / (reduction) in taxes on account of:		
MAT on accounting profit before tax & USA State taxes	4.38	7.31
Tax adjustments of earlier years	-	(0.13)
Non-deductible expenses	42.22	2.01
Branch tax for which no credit availed	3.21	1.09
Tax on non-taxable income for Indian tax purposes / impact due to differential tax rates from India	268.17	108.60
	39.95	72.93
Deferred tax (income) / expense recognition during the year	(259.50)	(76.70)
MAT credit for the current / previous year(s)	-	-
Provision for MAT credit (refer note no.10(b)(iii) above)	81.39	-
Tax (income) / expense reported in the statement of profit and loss	(138.16)	(3.77)
Tax (income) / expense reported in the other comprehensive income	(3.03)	(3.55)
<i>In USD Mln.</i>	<i>P&L</i>	<i>(1.73)</i>
	<i>OCI</i>	<i>(0.05)</i>
		<i>(0.04)</i>

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

11. OTHER ASSETS

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current				
Unsecured, considered good				
Prepaid expenses	0.79	0.01	4.59	0.06
Advance to suppliers and service providers #	72.57	0.88	68.01	0.91
Unbilled services revenue	-	-	2.07	0.03
Unsecured, considered doubtful				
Unbilled services revenue	108.02	1.32	55.44	0.74
	181.38	2.21	130.11	1.74
Less: Allowance for impairment loss	180.34	2.20	116.40	1.55
	1.04	0.01	13.71	0.19
Current				
Unsecured, considered good				
Prepaid expenses	117.94	1.45	138.26	1.84
Advance to suppliers & service providers *#	6.74	0.08	10.99	0.15
Unbilled services revenue	1,071.15	13.11	1,209.07	16.05
Statutory advances	185.60	2.27	111.09	1.47
	1,381.43	16.91	1,469.41	19.51
Less: Allowance for impairment loss	71.04	0.87	64.51	0.86
	1,310.39	16.04	1,404.90	18.65

* Includes prepayment to gratuity fund for the year Nil, (PY Nil) by the Company.

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

12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Authorized share capital				
50,000,000 (as at March 31, 2022 - 50,000,000) Equity Shares of Rs. 10 each	500.00		500.00	
Issued and subscribed capital				
35,576,934 (as at March 31, 2022 - 31,163,099) Equity Shares of Rs.10 each	355.77	6.23	311.63	6.25
Paid-up capital				
35,227,756 (as at March 31, 2022 - 30,813,921) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (PY Rs.353,890) for 349,178 shares)	352.63	6.62	308.49	6.08
	352.63	6.62	308.49	6.08



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

12.1 The reconciliation of share capital for the year :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Min.	USD Mln.	Rs. Min.	USD Mln.
At the beginning of the year	308.49	6.08	307.49	6.06
Allotment under employee stock option schemes	0.34	-	1.00	0.02
Allotment under Preferential Issue 2022	43.80	0.54	-	-
At the end of the year	352.63	6.62	308.49	6.08

Particulars	FY 2022-23	FY 2021-22
Movement in number of shares during the year		
At the beginning of the year	30,813,921	30,714,082
Allotment under employee stock option schemes	34,274	99,839
Allotment under preferential issue 2022	4,379,561	-
At the end of the year	35,227,756	30,813,921

12.2 Terms / rights attached to class of shares

The Company has only one class of share referred to as equity shares having a par value of Rs.10 each. The holders of equity shares are entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.3 Shares held by promoters (including promoter group)

Sl. no.	Name	As at March 31, 2023		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	9.52	(1.36)
2	Mrs. R Sudarsanam	290,615	0.82	(0.12)
3	Mrs. S Saradha Deepa	237,576	0.67	(0.10)
4	Mrs. R Nalina Ramalakshmi	322,649	0.92	(0.13)
5	Mrs. P V Nirmala	17,902	0.05	(0.01)
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.31	(0.05)
7	Mrs. B Srisandhya Raju	110,670	0.31	(0.05)
8	Mrs. R Chittammal	77,060	0.23	(0.03)
9	The Ramco Cements Limited	5,417,810	15.38	(2.20)
10	Ramco Industries Limited	7,109,711	20.18	2.44
11	Rajapalayam Mills Limited	733,531	2.08	(0.30)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.61	(0.23)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	0.01	-
16	Ramco Management Private Limited	300	-	-
		18,367,184	52.14	(2.12)

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

12.3 Shares held by promoters (including promoter group) (contd.)

Sl. no.	Name	As at March 31, 2022		
		No. of shares	% of total shares	% Change during the year
1	Mr. P R Venketrama Raja	3,353,366	10.88	(0.04)
2	Mrs. R Sudarsanam	290,615	0.94	-
3	Mrs. S Saradha Deepa	237,576	0.77	-
4	Mrs. R Nalina Ramalakshmi	322,649	1.05	-
5	Mrs. P V Nirmala	17,902	0.06	-
6	Mr. P V Abinav Ramasubramaniam Raja	110,332	0.36	-
7	Mrs. B Srisandhya Raju	110,670	0.36	-
8	Mrs. R Chittammal	77,060	0.25	-
9	The Ramco Cements Limited	5,417,810	17.58	(0.06)
10	Ramco Industries Limited	5,467,376	17.74	(0.06)
11	Rajapalayam Mills Limited	733,531	2.38	(0.01)
12	The Ramaraju Surgical Cotton Mills Limited	12,739	0.04	-
13	Ramco Industrial And Technology Services Limited	567,822	1.84	(0.01)
14	Ramco Private Limited	3,713	0.01	-
15	Ramco Agencies Private Limited	1,388	0.01	-
16	Ramco Management Private Limited	300	-	-
		16,724,849	54.28	(0.17)

12.4 Money received against share warrants

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Money received against share warrants	100.00	1.22	-	-
	100.00	1.22	-	-

Money received against share warrants represents amounts received towards warrants which entitles the warrant holder the option to apply for and be allotted equivalent number of equity shares of the face value of Rs.10 each.

The Company has on February 01, 2023 allotted to Mr. P R Venketrama Raja 1,459,854 warrants at a price of Rs.274 (including premium of Rs.264) each, entitling him for subscription of equivalent number of equity shares of Rs.10 each under Regulation 28(1) of the SEBI (LODR) Regulations, 2015, upon receipt of Rs.100 Mln. being 25% of the total price of the warrants. The warrants shall be convertible into equity shares, in one or more tranches, within a period of 18 months from the date of allotment, failing which the amount paid shall be forfeited and all the rights attached to the said warrants shall lapse automatically.

13. OTHER EQUITY

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Securities premium	7,842.34	135.15	6,675.75	120.87
Employee stock options outstanding	388.80	5.73	198.48	3.34
Retained earnings	(3,565.00)	(66.43)	(1,489.22)	(40.37)
Currency translation reserve	227.64	(16.89)	112.68	(12.81)
Fair value gain / (loss) on equity instruments through OCI	(15.00)	(0.19)	-	-
Money received against share warrants (refer note no. 12.4)	100.00	1.22	-	-
Total equity attributable to the equity holders of the Company	4,978.79	58.59	5,497.69	71.03
Non-controlling interests	34.06	0.50	34.26	0.50
Total other equity	5,012.85	59.09	5,531.95	71.53

Refer consolidated statement of changes in equity for movement.



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

13. Other Equity (Contd.)

Nature and purpose of reserves

Securities premium

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued, to the extent they are exercised.

Employee stock options outstanding

The share options outstanding account represents the grant date fair value of outstanding options issued to employees under various employees stock option schemes of the Company.

Retained earnings

Represents the portion of the net income / (loss) of the Group.

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Currency Units) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operation.

Fair value gain / (loss) on equity instruments through OCI

The Group has opted to recognize the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Group transfers amounts from this reserve to retained earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognized.

FINANCIAL LIABILITIES

14.1 BORROWINGS

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Current				
Loans from Banks, secured				
IDBI Bank Limited	80.00	0.97	-	-
Term loans from banks, unsecured				
Axis Bank Limited	150.00	1.84	-	-
Kotak Mahindra Bank Limited	150.00	1.84	-	-
	380.00	4.65	-	-

The Group had availed borrowing facilities from Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, ICICI Bank Limited, HDFC Bank Limited, Mashreq Bank PSC and HSBC Bank Middle East and also had repayments during the year. The borrowings were in the form of Term Loan, Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WCDL), Short Term Loan, Over Draft and Cash Credit. The interest rates on the borrowings during the year from Banks, ranged from 1.28% p.a. to 9.20% p.a. (PY 0.50% p.a. to 7.66% p.a.).

1. Loans from Banks, secured

- Borrowing facilities from Axis Bank Limited are secured by pari passu first charge on the current assets, both present and future of the Company. Borrowing facilities from IDBI Bank Limited are secured by pari passu first charge on the receivables (i.e., trade receivables, both current and non-current), both present and future of the Company.
- Borrowing facilities from Mashreq Bank PSC is secured by Standby Letter of Credit (SBLC) issued by Axis Bank Limited, from the secured working capital limits of the Company as mentioned above.
- With respect to the borrowings from banks on the basis of security, the periodical returns / statements filed by the Company with banks are in agreement with the books of accounts.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

14.1 Borrowings (Contd.)

2. Term loans from Banks, unsecured

Name of the Bank	No. of quarterly instalments (starting after 12 months from the date of first disbursement)	Interest rate linked to	Rate of interest	Rs. Mln.	Drawn on
Axis Bank Limited	12	12 months MCLR	8.75%	1.84	December 30, 2022
Kotak Mahindra Bank Limited	8	Repo rate	8.85% to 9.10%	1.84	January 25, 2023

The above Term Loans have been prepaid on April 03, 2023 without any prepayment charges. Accordingly, the above term loans have been considered current.

14.2 LEASES

The Group has adopted Ind AS 116 "Leases" with the date of initial application being April 01, 2019, using the modified retrospective approach. The Group has lease contracts for various items of Building, Land and Office equipments used in its operations. There are several lease contracts that include extension and termination options and variable lease payments.

Disclosures in respect of Leases are given below:

a) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2023 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2022	491.21	6.53	4.75	0.06	0.66	-	496.62	6.59
Additions during the year	288.38	3.53	-	-	2.24	0.03	290.62	3.56
Deletions during the year - net	(22.20)	(0.27)	-	-	-	-	(22.20)	(0.27)
Depreciation charge for the year	(143.12)	(1.80)	(4.75)	(0.06)	(1.53)	(0.02)	(149.40)	(1.88)
Foreign exchange (gain) / loss	3.18	(0.44)	-	-	-	0.01	3.18	(0.43)
As at March 31, 2023	617.45	7.55	-	-	1.37	0.02	618.82	7.57

b) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2022 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2021	568.97	7.80	9.51	0.13	0.72	-	579.20	7.93
Additions during the year	48.60	0.65	-	-	1.54	0.02	50.14	0.67
Deletions during the year - net	(8.06)	(0.11)	-	-	-	-	(8.06)	(0.11)
Depreciation charge for the year	(118.57)	(1.61)	(4.76)	(0.06)	(1.59)	(0.02)	(124.92)	(1.69)
Foreign exchange (gain) / loss	0.27	(0.20)	-	(0.01)	(0.01)	-	0.26	(0.21)
As at March 31, 2022	491.21	6.53	4.75	0.06	0.66	-	496.62	6.59

c) The movement in lease liabilities during the year ended March 31, 2023 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
As at April 01, 2022	549.32	7.28	5.94	0.09	0.66	0.01	555.92	7.38
Additions during the year	288.33	3.53	-	-	2.23	0.03	290.56	3.56
Deletions during the year	(28.17)	(0.34)	-	-	-	-	(28.17)	(0.34)
Interest expense	53.53	0.68	0.27	-	0.03	-	53.83	0.68
Lease payments	(183.37)	(2.30)	(6.21)	(0.08)	(1.54)	(0.02)	(191.12)	(2.40)
Foreign exchange (gain) / loss	3.09	(0.49)	-	(0.01)	-	-	3.09	(0.50)
As at March 31, 2023	682.73	8.36	-	-	1.38	0.02	684.11	8.38



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

14.2 Leases (Contd.)

d) The movement in lease liabilities during the year ended March 31, 2022 are as follows:

Particulars	Building		Land		Office equipments		Total	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.	Rs. Min.	USD Min.
As at April 01, 2021	616.28	8.43	11.25	0.16	0.69	0.01	628.22	8.60
Additions during the year	47.65	0.63	-	-	1.54	0.02	49.19	0.65
Deletions during the year	(8.77)	(0.12)	-	-	-	-	(8.77)	(0.12)
Interest expense	51.28	0.69	0.80	0.01	0.03	-	52.11	0.70
Lease payments	(157.49)	(2.13)	(6.11)	(0.08)	(1.60)	(0.02)	(165.20)	(2.23)
Foreign exchange (gain) / loss	0.37	(0.22)	-	-	-	-	0.37	(0.22)
As at March 31, 2022	549.32	7.28	5.94	0.09	0.66	0.01	555.92	7.38

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Current	134.43	1.65	112.99	1.50
Non-current	549.68	6.73	442.93	5.88
	684.11	8.38	555.92	7.38

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

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Depreciation expense of right-of-use assets	149.40	1.88	124.92	1.69
Interest expense on lease liabilities	53.83	0.68	52.11	0.70
Expense relating to short term leases (included in Other expenses)	18.69	0.23	22.28	0.30
Variable lease payments (included in Other expenses)	7.23	0.09	6.91	0.09
Rent concessions	(1.92)	(0.02)	(4.30)	(0.06)
(Gain) / loss on lease termination	(5.98)	(0.08)	(0.70)	(0.01)
Total amount recognized in profit and loss account	221.25	2.78	201.22	2.71

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

f) The Group had total cash outflows (lease payments for ROU, variable lease, short term lease, net of rent concession) for leases during the year ended March 31, 2023 of Rs.215.12 Mln. USD 2.70 Mln. (PY Rs.190.09 Mln. USD 2.56 Mln.).

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Less than 1 year	184.42	2.26	156.80	2.08
1 to 5 years	501.87	6.14	488.43	6.48
More than 5 years	177.67	2.17	66.55	0.88
	863.96	10.57	711.78	9.44

h) The Group has entered into a lease contract, which will commence from a future period and hence the same is not considered in the measurement of lease liability. The value of future cash flows expected on an undiscounted basis during the term of the lease contract is Nil as at March 31, 2023, (PY Rs.13.41 Mln. USD 0.18 Mln.).

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

14.3 TRADE PAYABLES

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current				
Total outstanding dues of creditors, other than micro and small enterprises	33.38	0.41	47.47	0.63
	33.38	0.41	47.47	0.63
Current				
Total outstanding dues of micro and small enterprises	20.16	0.25	26.52	0.35
Total outstanding dues of creditors, other than micro and small enterprises				
Trade payables - other related parties (refer note no.24)	0.78	0.01	10.94	0.15
Trade payables - others	670.98	8.21	655.01	8.69
	691.92	8.47	692.47	9.19

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

The disclosure with respect of dues to micro and small enterprises (MSME) are presented in Standalone Financial Statements and not repeated.

Trade payables ageing schedule

Particulars	As at March 31, 2023													
	Outstanding for following periods from due date of payment												Total	
	Unbilled		Not due		Less than 1 year		1-2 years		2-3 years		More than 3 years			
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current														
i) MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	33.38	0.41	-	-	-	-	-	-	-	-	-	-	33.38	0.41
iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	33.38	0.41	-	-	-	-	-	-	-	-	-	-	33.38	0.41
Current														
i) MSME	-	-	20.16	0.25	-	-	-	-	-	-	-	-	20.16	0.25
ii) Others	381.12	4.66	200.27	2.45	90.37	1.11	-	-	-	-	-	-	671.76	8.22
iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	381.12	4.66	220.43	2.70	90.37	1.11	-	-	-	-	-	-	691.92	8.47

Particulars	As at March 31, 2022													
	Outstanding for following periods from due date of payment												Total	
	Unbilled		Not due		Less than 1 year		1-2 years		2-3 years		More than 3 years			
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current														
i) MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	47.47	0.63	-	-	-	-	-	-	-	-	-	-	47.47	0.63
iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	47.47	0.63	-	-	-	-	-	-	-	-	-	-	47.47	0.63
Current														
i) MSME	-	-	26.33	0.35	0.19	-	-	-	-	-	-	-	26.52	0.35
ii) Others	434.76	5.77	191.30	2.54	39.89	0.53	-	-	-	-	-	-	665.95	8.84
iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	434.76	5.77	217.63	2.89	40.08	0.53	-	-	-	-	-	-	692.47	9.19



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

14.4 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Current				
Capital creditors	1.22	0.01	17.64	0.24
Rental advances	0.30	0.01	0.30	-
Foreign currency forward contract	-	-	0.21	-
Employee welfare payables	2.54	0.03	2.54	0.03
	4.06	0.05	20.69	0.27

15. PROVISIONS

Non-current				
Provision for gratuity (refer note no.20.1)	37.36	0.46	31.61	0.42
Provision for leave encashment and other retirals (refer note no.15.1)	214.58	2.62	222.84	2.96
	251.94	3.08	254.45	3.38
Current				
Provision for gratuity (refer note no.20.1)	15.32	0.18	6.02	0.08
Provision for leave encashment and other retirals (refer note no.15.1)	21.82	0.27	16.39	0.22
	37.14	0.45	22.41	0.30

15.1 The Group provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

16. OTHER LIABILITIES

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Non-current				
Unearned revenue	6.41	0.08	14.14	0.19
Advance from customers	9.06	0.11	8.37	0.11
	15.47	0.19	22.51	0.30
Current				
Unearned revenue	1,273.93	15.59	838.01	11.13
Statutory dues payable	159.92	1.96	131.65	1.75
Expenses payable	221.76	2.71	155.47	2.07
Contract obligation	159.27	1.95	122.27	1.62
Advance from customers	3.56	0.04	3.38	0.04
	1,818.44	22.25	1,250.78	16.61

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

17. REVENUE FROM OPERATIONS - DISAGGREGATED

17.1 Product wise revenue

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Revenue from software products	2,088.05	26.21	2,167.32	29.35
Revenue from software services	2,795.88	35.10	3,109.57	42.12
Revenue from resale of software and hardware materials	38.30	0.48	34.13	0.46
	4,922.23	61.79	5,311.02	71.93

17.2 Geography wise revenue

Americas	1,234.77	15.50	1,326.70	17.97
Europe	240.23	3.02	303.83	4.12
APAC	1,764.67	22.15	1,729.51	23.42
India	1,077.82	13.53	1,233.72	16.71
Middle East and Africa	604.73	7.59	717.26	9.71
	4,922.23	61.79	5,311.02	71.93

17.3 Business unit wise revenue

ERP	1,364.74	17.13	1,740.56	23.57
HRP	2,033.36	25.53	1,886.51	25.55
Aviation	1,524.13	19.13	1,683.95	22.81
	4,922.23	61.79	5,311.02	71.93

17.4 Ind AS 115 – Revenue from contract with customers

The Company derives revenue from Software Solutions & Services. The accounting policies are mentioned in note no.3.1.c.

Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by various factors including termination, changes in scope of contracts, adjustments for revenue that are not materialized and adjustments for currency.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the following:

- the remaining performance obligation for contracts where revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date including time and material, support service and subscription contracts and
- the remaining performance obligation in respect of other contracts, since those performance obligations have an original expected duration of one year or less in most of the cases.

During the year ended March 31, 2023, the Group recognized revenue of Rs.713.33 Mln. USD 8.96 Mln. arising from opening unearned revenue of Rs.852.14 Mln. USD 11.31 Mln. as at April 01, 2022. During the year ended March 31, 2022, the Group recognized revenue of Rs.563.36 Mln. USD 7.63 Mln. arising from opening unearned revenue of Rs.831.86 Mln. USD 11.39 Mln. as at April 01, 2021.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)****17.4 Ind AS 115 – Revenue from contract with customers (Contd.)**

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

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Contract price	4,922.23	61.79	5,329.03	72.17
Reduction towards implied financing component	-	-	(18.01)	(0.24)
Revenue recognized	4,922.23	61.79	5,311.02	71.93

18. FINANCE INCOME

Interest income - other than related parties	44.14	0.55	79.18	1.07
	44.14	0.55	79.18	1.07

19. OTHER INCOME

Government grant	-	-	9.32	0.12
Profit on sale of property, plant and equipments	0.75	0.01	0.06	-
Gain on termination of leased assets	6.00	0.08	0.79	0.01
Other income	4.20	0.05	3.40	0.05
	10.95	0.14	13.57	0.18

Government grant includes the grant from Economic Development Board of Singapore for a three-year period from Dec 2019 to Nov 2022, under the Innovation Development Scheme, by way of reimbursement of a portion of employee benefits expense and equipment for the project to develop specified new products / processes in Singapore (CY Nil, PY Rs.7.02 Mln. USD 0.09 Mln.). It also includes Grants received primarily from Australia, Singapore and USA Governments towards job support schemes announced due to COVID-19 (CY Nil, PY Rs.2.30 Mln. USD 0.03 Mln.). This is treated as a “grant related to income” under Ind AS 20. Accordingly, the grant is shown under “other income” and the expenses related to this are shown under respective expense heads.

20. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Salaries, wages and bonus	2,914.04	36.58	2,724.74	36.90
Share based payments	200.05	2.51	(14.81)	(0.20)
Contribution to provident and other funds	112.15	1.41	95.23	1.29
Gratuity and other retirals	100.78	1.26	87.59	1.19
Staff welfare	88.55	1.11	65.99	0.89
	3,415.57	42.87	2,958.74	40.07

20.1 The defined benefit plan (Gratuity) details in respect of the Company is provided for in the Standalone Financial Statements note no.20.1. Obligations in respect of other subsidiaries wherever applicable under the local laws are accrued at actual and they are unfunded. Group has represented these values in the carrying amount as appearing in their Balance Sheet as there is no requirement for actuarial valuation in the respective countries.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

21. FINANCE COSTS

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Mln.	USD Min.	Rs. Mln.	USD Min.
Interest on loans	40.85	0.51	1.12	0.02
Interest on leased assets	53.83	0.68	52.11	0.70
Interest others	-	-	0.29	-
Other finance costs on loans	4.93	0.06	0.67	0.01
	99.61	1.25	54.19	0.73

22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	89.29	1.12	78.75	1.07
Depreciation on leased assets	149.40	1.88	124.92	1.69
Amortization of intangible assets	562.64	7.06	545.40	7.38
Impairment of intangible assets	6.91	0.09	4.11	0.06
	808.24	10.15	753.18	10.20

23. OTHER EXPENSES

Advertisement and sales promotion	245.74	3.08	145.26	1.97
Bank charges	12.61	0.16	11.71	0.16
Bad debts / provision for doubtful debts & advances, net	639.20	8.02	574.06	7.77
Consultancy charges	219.68	2.76	150.79	2.04
Corporate social responsibility expenditure	6.03	0.08	14.43	0.20
Foreign exchange fluctuation, net	33.14	0.42	14.12	0.19
Insurance	31.42	0.39	27.66	0.37
Loss on sale of property, plant and equipment	1.37	0.02	0.71	0.01
Loss on termination of leased assets	0.02	-	0.09	-
Office maintenance	28.02	0.35	21.72	0.29
Outsourcing costs	479.99	6.03	411.87	5.58
Power & fuel	29.99	0.38	21.37	0.29
Printing & stationery	3.63	0.05	3.11	0.04
Postage, telephone and communication	59.56	0.75	63.83	0.86
Rent	378.80	4.75	333.35	4.51
Repairs - building	8.57	0.11	3.39	0.05
Repairs - plant and machinery	61.59	0.77	78.77	1.07
Repairs - others	10.13	0.13	14.00	0.19
Rates and taxes	145.25	1.82	166.95	2.26
Sales commission and other selling expenses	33.76	0.42	60.37	0.82
Software subscription and maintenance	34.78	0.44	14.85	0.20
Travelling and conveyance	283.02	3.55	122.59	1.66
Miscellaneous expenses	100.76	1.26	107.34	1.46
	2,847.06	35.74	2,362.34	31.99



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

23.1 Movement in provision for doubtful debts & advances

Particulars	As At March 31, 2023		As At March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Balance at the beginning	717.82	9.53	529.75	7.26
Provisions for the year	639.20	8.02	574.06	7.77
Translation differences	43.37	(0.34)	8.56	(0.16)
Provision utilized for write off	(268.38)	(3.37)	(394.55)	(5.34)
Balance at the end	1,132.01	13.84	717.82	9.53

Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rs. Min.	USD Min.	Rs. Min.	USD Min.
Provisions for the year	639.20	8.02	574.06	7.77
Provision utilized for write off reversed to P&L	(268.38)	(3.37)	(394.55)	(5.34)
Amounts written off	268.38	3.37	394.55	5.34
Bad debts / provision for doubtful debts & advances, net	639.20	8.02	574.06	7.77

24. Related Party Transactions

Information on names of related parties and nature of relationship as required by Ind AS 24 on related party disclosures are given below:

a. Key managerial personnel including those under Companies Act, 2013 (KMP)

1.	Mr. P R Venketrama Raja, Chairman	7.	Mr. A V Dharmakrishnan, Non-Executive, Non-Independent Director
2.	Mr. P V Abinav Ramasubramaniam Raja, Whole Time Director	8.	Mr. R S Agarwal, Independent Director
3.	Mr. Virender Aggarwal, Chief Executive Officer (till the date of his cessation)	9.	Mrs. Soundara Kumar, Independent Director
4.	Mr. R Ravi Kula Chandran, Chief Financial Officer	10.	Mr. Sankar Krishnan, Non-Independent Director
5.	Mr. N E Vijaya Raghavan, Company Secretary	11.	Justice Mr. P P S Janarthana Raja (Retd.), Independent Director
6.	Mr. M M Venkatachalam, Independent Director		

b. Relatives of KMP

1.	Mr. P R Venketrama Raja, Father of Mr. P V Abinav Ramasubramaniam Raja	4.	Mrs. R Sudarsanam, Mother of Mr. P R Venketrama Raja
2.	Mrs. P V Nirmala, Mother of Mr. P V Abinav Ramasubramaniam Raja	5.	Mrs. S Sarada Deepa, Sister of Mr. P R Venketrama Raja
3.	Mrs. B Srisandhya Raju, Sister of Mr. P V Abinav Ramasubramaniam Raja	6.	Mrs. R Nalina Ramalakshmi, Sister of Mr. P R Venketrama Raja

c. Employee benefit funds where control exists

1.	Ramco Systems Limited employees group gratuity scheme		
2.	Ramco Systems Limited employees superannuation scheme		

d. Enterprises over which KMP / relatives of KMP exercise significant influence

1.	Rajapalayam Mills Limited	18.	JKR Enterprises Limited
2.	The Ramco Cements Limited	19.	Gowrishankar Screws
3.	Ramco Industries Limited	20.	P A C R Sethurammam Charity Trust
4.	The Ramaraju Surgical Cotton Mills Limited	21.	P A C R Sethurammam Charities
5.	Sri Vishnu Shankar Mills Limited	22.	Rajapalayam Spinners Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

24. Related Party Transactions (Contd.)

6.	Sandhya Spinning Mill Limited	23.	Ramco Industrial and Technology Services Limited
7.	Thanjavur Spinning Mill Limited	24.	Madurai Trans Carrier Limited
8.	Sri Harini Textiles Limited	25.	Ramco Welfare Trust
9.	Swarna Boomi Estate	26.	Lynks Logistics Limited
10.	Thanga Vilas Estate	27.	Ramco Management Private Limited
11.	Rajapalayam Textile Limited	28.	Raja Charity Trust
12.	Shri Harini Media Limited	29.	P A C Ramasamy Raja Centenary Trust
13.	Sudarsanam Estate	30.	P A C Ramasamy Raja Education Charity Trust
14.	Shri Abhinava Vidyatheertha Seva Trust	31.	P A C Ramasamy Raja Polytechnic College
15.	Smt. Lingammal Ramaraju Shastra Prathista Trust	32.	P A C R Industrial Training Center
16.	The Ramco Cements Limited Educational and Charitable Trust	33.	Smt. Sethu Ramammal Vidya Mandir English Medium High School
17.	Gowrihouse Metal Works LLP	34.	Ramasubrahmaneya Rajha Ramco Foundation
e. Subsidiary companies			
1.	Ramco Systems Corporation, USA	11.	Ramco Systems (Shanghai) Co. Ltd., China
2.	Ramco Systems Ltd., Switzerland	12.	Ramco System Vietnam Company Limited, Vietnam
3.	Ramco Systems Pte. Ltd., Singapore	13.	PT Ramco Systems Indonesia, Indonesia
4.	Ramco Systems Sdn. Bhd., Malaysia	14.	Ramco Systems Macau Limited, Macao (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)
5.	RSL Enterprise Solutions (Pty) Ltd., South Africa	15.	Ramco Software Japan Limited, Japan
6.	Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	16.	Ramco Systems Defense and Security Incorporated, USA (100% subsidiary of Ramco Systems Corporation, USA)
7.	Ramco Systems FZ-LLC, Dubai	17.	Ramco Middle East for Information Technology, Saudi Arabia
8.	R S L Software Co. Ltd., Sudan	18.	Ramco System LLC, Qatar
9.	Ramco Systems Australia Pty Ltd., Australia		
10.	Ramco System Inc., Philippines		
f. Associate			
1.	CityWorks (Pty.) Limited, South Africa		

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

Particulars	Transaction during the FY 2022-23		Outstanding as at March 31, 2023		Transaction during the FY 2021-22		Outstanding as at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Income from sale of goods & services								
The Ramco Cements Limited	107.10	1.34	-	-	150.30	2.04	-	-
Ramco Industries Limited	8.19	0.10	-	-	31.65	0.43	-	-
Rajapalayam Mills Limited	3.88	0.05	-	-	50.27	0.68	-	-
Rajapalayam Textile Limited	0.43	0.01	-	-	0.40	0.01	-	-
Sri Vishnu Shankar Mills Limited	1.62	0.02	-	-	1.43	0.02	-	-
Sandhya Spinning Mill Limited	1.33	0.02	-	-	1.11	0.02	-	-
The Ramaraju Surgical Cotton Mills Limited	2.15	0.03	-	-	2.30	0.03	-	-
Sudarsanam Estate	0.04	-	0.02	-	0.07	-	-	-
Swarna Bhoomi Estate	0.04	-	-	-	0.04	-	-	-
Thanga Vilas Estate	0.04	-	-	-	0.04	-	-	-
Ramco Welfare Trust	0.13	-	-	-	0.23	-	-	-



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

24. Related Party Transactions (Contd.)

Particulars	Transaction during the FY 2022-23		Outstanding as at March 31, 2023		Transaction during the FY 2021-22		Outstanding as at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Smt. Lingammal Ramaraju Shastra Prathista Trust	0.08	-	-	-	0.14	-	-	-
The Ramco Cements Limited Educational and Charitable Trust	0.10	-	-	-	0.15	-	-	-
Gowrihouse Metal Works LLP	0.45	0.01	0.09	-	0.36	-	-	-
P A C R Sethurammal Charity Trust	0.30	-	0.02	-	0.36	-	0.06	-
P A C R Sethurammal Charities	0.13	-	-	-	0.19	-	-	-
Madurai Trans Carrier Limited	-	-	-	-	0.85	0.01	-	-
Ramco Industrial and Technology Services Limited	1.87	0.02	-	-	1.25	0.02	-	-
Lynks Logistics Limited	8.76	0.11	23.29	0.28	15.87	0.21	14.53	0.19
P A C Ramasamy Raja Centenary Trust	0.15	-	0.01	-	0.27	-	-	-
P A C Ramasamy Raja Education Charity Trust	0.13	-	0.01	-	0.19	-	-	-
Smt. Sethu Ramammal Vidya Mandir English Medium High School	0.02	-	-	-	-	-	-	-
P A C R Industrial Training Center	0.02	-	-	-	-	-	-	-
CityWorks (Pty.) Limited, South Africa	73.07	0.92	6.08	0.07	78.86	1.07	16.62	0.22
Cost of services availed								
Ramco Industrial and Technology Services Limited	98.25	1.23	0.78	0.01	96.53	1.30	3.85	0.05
The Ramco Cements Limited	4.70	0.06	-	-	20.40	0.28	-	-
Ramco Industries Limited	1.32	0.02	-	-	1.13	0.02	-	-
Bank guarantee issued in favour of bankers / customers / vendors of								
i) Ramco Systems FZ-LLC, Dubai	-	-	74.79	0.92	-	-	68.71	0.91
ii) Ramco System Inc., Philippines	-	-	-	-	-	-	5.02	0.07
iii) Ramco Systems Australia Pty Ltd., Australia	-	-	7.19	0.09	-	-	7.36	0.10
Corporate guarantee issued in favour of customer(s) of								
i) Ramco Systems Australia Pty Ltd., Australia	-	-	680.40	8.33	-	-	696.48	9.25
ii) Ramco Systems FZ-LLC, Dubai	83.22	1.04	84.12	1.03	-	-	-	-
Rent expense								
The Ramco Cements Limited	92.99	1.17	-	-	92.99	1.26	7.09	0.09
Rajapalayam Mills Limited	0.07	-	-	-	0.08	-	-	-
Sitting fees								
Mr. P R Venketrama Raja	0.18	-	-	-	0.18	-	-	-
Mr. P V Abinav Ramasubramaniam Raja	0.18	-	-	-	0.18	-	-	-
Mr. M M Venkatachalam	0.36	-	-	-	0.33	-	-	-
Mr. A V Dharmakrishnan	0.33	-	-	-	0.33	-	-	-
Mr. R S Agarwal	0.36	-	-	-	0.36	-	-	-
Mrs. Soundara Kumar	0.30	-	-	-	0.36	-	-	-
Mr. Sankar Krishnan	0.33	-	-	-	0.27	-	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	0.36	-	-	-	0.36	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

24. Related Party Transactions (Contd.)

Particulars	Transaction during the FY 2022-23		Outstanding as at March 31, 2023		Transaction during the FY 2021-22		Outstanding as at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Subscription for issue of equity shares under preferential issue 2022								
Ramco Industries Limited (refer note no.33)	450.00	5.51	-	-	-	-	-	-
Subscription for issue of warrants convertible into equity shares under preferential issue 2022								
Mr. P R Venketrama Raja (refer note no.33)	100.00	1.22	-	-	-	-	-	-
CSR contribution								
Ramasubrahmaneya Rajha Ramco Foundation	0.50	0.01	-	-	-	-	-	-
Remuneration								
Mr. P V Abinav Ramasubramaniam Raja	1.32	0.02	-	-	1.32	0.02	-	-
Mr. Virender Aggarwal (till the date of his cessation)	-	-	-	-	78.18	1.06	-	-
Mr. R Ravi Kula Chandran	8.98	0.11	-	-	10.85	0.15	-	-
Mr. N E Vijaya Raghavan	2.49	0.03	-	-	1.96	0.03	-	-
Contributions made								
Ramco Systems Limited employees group gratuity scheme	28.33	0.36	-	-	16.73	0.23	-	-
Ramco Systems Limited employees superannuation scheme	16.41	0.21	-	-	15.54	0.21	-	-

Notes:

- Ramco Systems FZ-LLC, Dubai, Ramco System Inc., Philippines and Ramco Systems Australia Pty Ltd., Australia have assumed obligations in terms of Bank Guarantees issued by their banks to their customers / vendors. However, the said bank guarantees are basis the counter guarantee issued by the banker of Ramco Systems Limited, India and hence no separate disclosures for these subsidiaries are made.
- The above figures include Service Tax / VAT / CST / GST as applicable.
- The Transactions with related parties are at arm's length basis. The outstanding balances are unsecured and interest free. The Group has not recorded any impairment of receivables owed by related parties. Payment terms for related party transactions are generally less than 60 days.
- Disclosure of Key Management Personnel remuneration in total and for each of the following categories:

Particulars	FY 2022-23		FY 2021-22	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Short – term benefits *	14.08	0.18	93.56	1.27
Defined contribution plan **	1.10	0.01	1.12	0.02
Defined benefit plan / other long-term benefits ***	-	-	-	-
	15.18	0.19	94.68	1.29

* It includes bonus, sitting fees, value of perquisites and fixed monthly remuneration in the form of commission (as applicable).

** It includes contribution to Provident fund / other pension funds, Superannuation, National Pension System and accrual of Gratuity.

*** Based on actual payment, if any.

e) Mr. A V Dharmakrishnan Non-Executive Non Independent Director has exercised 17,500 stock options with an exercise price of Rs.0.18 Mln. and shares were allotted on January 20, 2023.

f) For details regarding grant of stock options during the year to KMPs, refer Annexure II to the Directors Report - "Disclosure made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021".



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

25. Disclosure Of Fair Value Measurements

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments by category

As at March 31, 2023

Sl. no.	Particulars	Rs. Min.					USD Min.				
		Amortized cost	FVTPL	FVTOCI	Total carrying amount	Fair value	Amortized cost	FVTPL	FVTOCI	Total carrying amount	Fair value
Financial assets											
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	100.31	-	100.31	100.31	-	1.23	-	1.23	1.23
3	Trade receivables	1,524.67	-	-	1,524.67	1,524.67	18.66	-	-	18.66	18.66
4	Cash & cash equivalents	678.04	-	-	678.04	678.04	8.30	-	-	8.30	8.30
5	Other financial assets	1,113.96	-	-	1,113.96	1,113.96	13.63	-	-	13.63	13.63
		3,316.67	100.31	-	3,416.98	3,416.98	40.59	1.23	-	41.82	41.82
Financial liabilities											
6	Borrowings	380.00	-	-	380.00	380.00	4.65	-	-	4.65	4.65
7	Lease liabilities	684.11	-	-	684.11	684.11	8.38	-	-	8.38	8.38
Trade payables											
8	Total outstanding dues of micro and small enterprises	20.16	-	-	20.16	20.16	0.25	-	-	0.25	0.25
9	Total outstanding dues of creditors, other than micro and small enterprises	705.14	-	-	705.14	705.14	8.63	-	-	8.63	8.63
10	Other financial liabilities	4.06	-	-	4.06	4.06	0.05	-	-	0.05	0.05
		1,793.47	-	-	1,793.47	1,793.47	21.96	-	-	21.96	21.96

As at March 31, 2022

Sl. no.	Particulars	Rs. Min.					USD Min.				
		Amortized cost	FVTPL	FVTOCI	Total carrying amount	Fair value	Amortized cost	FVTPL	FVTOCI	Total carrying amount	Fair value
Financial assets											
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investments	-	-	15.00	15.00	15.00	-	-	0.23	0.23	0.23
3	Trade receivables	1,716.89	-	-	1,716.89	1,716.89	22.80	-	-	22.80	22.80
4	Cash & cash equivalents	128.06	-	-	128.06	128.06	1.70	-	-	1.70	1.70
5	Other financial assets	1,660.90	0.01	-	1,660.91	1,660.91	22.05	-	-	22.05	22.05
		3,505.85	0.01	15.00	3,520.86	3,520.86	46.55	-	0.23	46.78	46.78
Financial liabilities											
6	Borrowings	-	-	-	-	-	-	-	-	-	-
7	Lease liabilities	555.92	-	-	555.92	555.92	7.38	-	-	7.38	7.38
Trade payables											
8	Total outstanding dues of micro and small enterprises	26.52	-	-	26.52	26.52	0.35	-	-	0.35	0.35
9	Total outstanding dues of creditors, other than micro and small enterprises	713.42	-	-	713.42	713.42	9.47	-	-	9.47	9.47
10	Other financial liabilities	20.48	0.21	-	20.69	20.69	0.27	-	-	0.27	0.27
		1,316.34	0.21	-	1,316.55	1,316.55	17.47	-	-	17.47	17.47

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

25. Disclosure of fair value measurements (Contd.)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2023 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial instruments at FVTOCI								
Investment in unlisted securities	-	-	-	-	-	-	-	-
Financial instruments at FVTPL								
Foreign currency forward contract	-	-	-	-	-	-	-	-
Investment in mutual funds	100.31	-	-	100.31	1.23	-	-	1.23

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2022 are given below:

Particulars	Rs. Mln.				USD Mln.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial instruments at FVTOCI								
Investment in unlisted securities	-	-	15.00	15.00	-	-	0.23	0.23
Financial instruments at FVTPL								
Foreign currency forward contract	-	(0.20)	-	(0.20)	-	-	-	-

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

26. Capital Management

For the purpose of the Group's capital management, capital means the Total equity as per the Consolidated Balance Sheet. The primary objective of the Group's capital management is to maximize the shareholder's wealth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is Net debt divided by the Total equity.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings *	380.00	4.65	-	-
Less: Cash and cash equivalents #	156.06	1.91	-	-
Net debt (A)	223.94	2.74	-	-
Equity share capital	352.63	6.62	308.49	6.08
Other equity	4,978.79	58.59	5,497.69	71.03
Total equity (B)	5,331.42	65.21	5,806.18	77.11
Net debt / Equity (A / B)	4.20%	4.20%	-	-

* Though there have been borrowings during the year ended March 31, 2022 the same have been repaid, thus making the borrowings Nil, as at the year end.

not considered, since borrowings were Nil for the year ended March 31, 2022.

In order to achieve the overall objective, the Group's capital management, amongst other things aims to ensure that it meets financial covenants if any, attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest bearing loans / borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)****27. Contingent Liabilities And Commitments**

Sl. no.	Particulars	As at March 31, 2023		As at March 31, 2022	
		Rs. Min.	USD Min.	Rs. Min.	USD Min.
Contingent liabilities					
1	Bank guarantees issued by the bankers to the Company in favour of:				
	i) Bankers / customers / vendors, to the subsidiaries / overseas branches, as applicable (refer note no.24)	81.98	1.01	81.09	1.08
	ii) Others	5.09	0.06	15.59	0.19
2	Corporate guarantee issued in favour of customers of subsidiaries (refer note no. 24)	764.52	9.36	696.48	9.25
3	Claims against the Group not acknowledged as debts				
a)	Disputed Tamil Nadu Value Added Tax demand				
	i) Relating to FY 2009-10 to FY 2013-14 and pending before The Honorable High Court of Madras	75.86	0.93	75.86	1.01
	ii) Relating to FY 2014-15 to FY 2017-18 in respect of which no demand notice has been received	26.73	0.33	26.73	0.35
b)	Disputed Value Added Tax demand, pending before The Deputy Commissioner of Sales Tax, Mumbai, FY 2012-13	0.09	-	0.09	-
c)	Disputed Service Tax demand, pending before The Commissioner of Service Tax, Appeals, Chennai*	-	-	1.21	0.02
d)	Disputed GST demand				
	i) Relating to FY 2017-18 to FY 2019-20 pending before The Additional / Joint Commissioner of GST & Central Excise, Adjudication, Chennai	27.85	0.34	27.85	0.37
	ii) Relating to FY 2020-21 till FY 2022-23 for which no demand notice has been received	11.51	0.14	5.14	0.07
e)	Other claims	349.86	4.28	92.08	1.22
Commitments					
	Estimated amount of contracts remaining to be executed on capital account and not provided for	24.37	0.30	3.71	0.05

*Commissioner of Service Tax Appeals has adjudicated the case by remanding it back to the Jurisdictional Assistant Commissioner to examine and re-quantify the admissible and non-admissible input credit. An appeal has been filed by the Company with CESTAT on April 13, 2023.

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.

28. Financial Risk Management Objectives And Policies

The Board of Directors has constituted a Risk Management committee, with responsibility including, formulation, monitoring and review of risk management policy, identification of risk mitigation measures and establishment of business continuity plan. The Company has already developed and implemented a risk management policy. The risk management systems are reviewed periodically. The Internal Audit reviews the risk management controls & procedures and reports to the Audit Committee.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

28. Financial risk management objectives and policies (Contd.)

The Group's financial risks comprise of market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and foreign currency risk.

A.1 Interest rate risk

The Group has borrowed debt at variable rates to finance its operations including capital expenditure, which exposes it to interest rate risk. The Group's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

Interest rate risk exposure on the average borrowing for the year:

Particulars of average borrowing	FY 2022-23		FY 2021-22	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Fixed rate borrowing	378.71	4.63	25.31	0.34
Variable rate borrowing	226.42	2.77	5.11	0.07

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2022-23 by Rs.2.26 Mln. USD 0.03 Mln. (FY 2021-22 by Rs.0.05 Mln. USD Nil).

A.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's transactions denominated in a foreign currency including trade receivables, unbilled revenues, trade payables and bank balances.

The Group's exposure to foreign currency risk with respect to material currencies as detailed below:

Foreign Currency	Trade receivables	Unbilled revenues	Trade payables	Bank balances	Total
USD Mln. *					
As at March 31, 2023	8.66	8.15	(0.68)	0.12	16.24
As at March 31, 2022	9.42	11.93	(0.32)	0.10	21.13
PHP Mln.					
As at March 31, 2023	46.47	73.90	-	-	120.37
As at March 31, 2022	12.10	116.78	-	-	128.88
EUR Mln.					
As at March 31, 2023	0.21	2.05	(0.49)	0.03	1.79
As at March 31, 2022	0.08	2.02	(0.49)	0.03	1.64

* Total includes USD 7.32 Mln. (PY USD 10.42 Mln.) pertaining to UAE where the exchange risk of AED to USD is limited.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)****28. Financial risk management objectives and policies (Contd.)**

Sensitivity analysis between Indian Rupee and the following foreign currencies specified above for an increase of / decrease by Re.1:

Foreign currency	As at March 31, 2023				As at March 31, 2022			
	Rs. Mln.		USD Mln.		Rs. Mln.		USD Mln.	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
USD	16.24	(16.24)	0.20	(0.20)	21.13	(21.13)	0.28	(0.28)
PHP	120.37	(120.37)	1.47	(1.47)	128.88	(128.88)	1.71	(1.71)
EUR	1.79	(1.79)	0.02	(0.02)	1.64	(1.64)	0.02	(0.02)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures :

- Availment of packing credit in foreign currency (PCFC), including entering into cross currency forward contracts in equivalent USD where the exposures are in other currencies. The exposure is Nil for both March 31, 2023 and March 31, 2022.
- Entering into forward contracts which are not covered by PCFC, for such quantum as considered appropriate. The outstanding exposure in this regard is as follows:

Foreign currency	As at March 31, 2023			As at March 31, 2022		
	In Mln.	Rs. Mln.	USD Mln.	In Mln.	Rs. Mln.	USD Mln.
AUD	Nil	Nil	Nil	0.39	21.78	0.29
SGD	Nil	Nil	Nil	0.43	23.79	0.32
USD	Nil	Nil	Nil	0.26	19.58	0.26
CAD	Nil	Nil	Nil	0.09	5.38	0.07

The above outstanding forward contracts for FY 2021-22 amounting to Rs. 70.53 Mln. USD 0.94 Mln. have been converted at the closing rates as against the contracted value of Rs. 72.46 Mln. USD 0.96 Mln. The accounting treatment followed for foreign exchange forward contracts is Mark to Market based.

B. Credit risk

Credit risk is the risk of financial loss to the Group, if the customer or counterparty to the financial instruments or the supplier fail to meet its contractual obligations and arises principally from the Group's receivables and treasury operations.

Customer credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored and the Group creates a provision based on expected credit loss model.

B.1 Trade receivables, unbilled revenues, advance to suppliers and service providers**i) Trade receivables**

Trade receivable of the Group represents the dues from its customers which are exposed to credit risk. The number of customers and percentage they owed exceeding USD 0.50 Mln. individually, out of the outstanding as at March 31, 2023, were 8 and 38% respectively (6 and 32% as at March 31, 2022).

Number of customers owing more than 10% of the accounts receivable is one as at March 31, 2023 and Nil as at March 31, 2022.

ii) Unbilled revenues

Unbilled Revenues (Unbilled licenses revenue grouped under financial asset and Unbilled services revenue grouped under non-financial assets i.e., other assets) of the Group are also exposed to risk in the event of the inability to bill the customer.

No single customer constituting more than 10% of the unbilled revenues both as at March 31, 2023 and as at March 31, 2022.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

28. Financial risk management objectives and policies (Contd.)

iii) The Group has receivables and unbilled revenue, due from few customers in Sudan constituting around 7% of the total, (significant portion of which is due from local Government agencies) which are exposed due to the internal unrest and management is hopeful of recovery once the situation in that country returns to normalcy.

iv) Advance to suppliers and service providers

Advance to suppliers and service providers are also exposed to risk in the event of inability to adjust such advances from their billing or otherwise recover the same.

B.2 Credit risk exposure

The movement in provision for doubtful debts & advances is as below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Balance at the beginning	717.82	9.53	529.75	7.26
Provisions for the year	639.20	8.02	574.06	7.77
Translation differences	43.37	(0.34)	8.56	(0.16)
Provision utilized for write off	(268.38)	(3.37)	(394.55)	(5.34)
Balance at the end	1,132.01	13.84	717.82	9.53
Credit exposure (net of provisions):				
Trade receivables	1,524.67	18.66	1,716.89	22.80
Unbilled licenses revenue	994.58	12.18	1,562.78	20.75
Unbilled services revenue	1,000.11	12.24	1,145.67	15.21
Advance to suppliers and service providers	6.99	0.08	19.00	0.26

B.3 Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Group is exposed to counterparty risk relating to deposits with banks and investments in mutual funds. The Group places its cash equivalents based on the creditworthiness of the financial institutions.

Fixed deposits of Rs. 467.39 Mln. USD 5.72 Mln. have been placed with 2 Banks having high credit rating. Investment in mutual funds of Rs. 100.31 Mln. USD 1.23 Mln. have been placed in bond, ultra short duration and liquid funds with 3 mutual fund institutions.

C. Liquidity risk

Liquidity Risks are those risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Financial arrangements

The Group has access to the following undrawn borrowing facilities:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Expiring within one year				
Bank cash credit / overdraft / packing credit / WCDL (subject to availability of drawing power at the time of drawl)	1,609.44	19.69	1,755.15	23.30
Expiring beyond one year	Nil	Nil	Nil	Nil

**Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)****28. Financial risk management objectives and policies (Contd.)****Maturities of financial liabilities****As at March 31, 2023**

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings*	380.00	4.65	-	-	380.00	4.65
Trade and other payables	695.98	8.52	33.38	0.41	729.36	8.93
Lease liabilities (on undiscounted basis)	184.42	2.26	679.54	8.31	863.96	10.57
	1,260.40	15.43	712.92	8.72	1,973.32	24.15

* Against this, the Company had parked Rs.300 Mln. USD 3.67 Mln. in fixed deposits with banks, which had been preclosed for the purpose of prepayment of loans on April 03, 2023.

As at March 31, 2022

Particulars	< 1 Year		> 1 Year		Total	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Borrowings	-	-	-	-	-	-
Trade and other payables	713.16	9.46	47.47	0.63	760.63	10.09
Lease liabilities (on undiscounted basis)	156.80	2.08	554.98	7.36	711.78	9.44
	869.96	11.54	602.45	7.99	1,472.41	19.53

29. The Group has only one operating segment viz., Software Solutions and Services and hence the segment reporting required under Ind AS 108 does not apply. However, the following information is provided as required under paragraph 31 of Ind AS 108.

29.1 Information regarding revenue from products and services and geographical areas

Please refer note nos. 17.1 & 17.2.

29.2 Information regarding specified non-current assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rs. Mln.	USD Mln.	Rs. Mln.	USD Mln.
Property, plant and equipment				
India including overseas branches	179.87	2.20	182.73	2.43
Other countries	26.16	0.32	22.53	0.30
Right-of-use assets				
India including overseas branches	524.37	6.42	406.34	5.39
Other countries	94.45	1.15	90.28	1.20
Intangible assets				
India including overseas branches	3,373.53	41.28	2,859.42	37.96
Other countries	-	-	-	-
Others				
India including overseas branches	1.03	0.01	12.55	0.17
Other countries	0.01	-	1.16	0.02

29.3 Information regarding major customers

No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2023 and March 31, 2022.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

30. Statutory Group Information

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to total comprehensive income	Rs. Mln.
Parent, Indian:								
Ramco Systems Limited								
Balance as at March 31, 2023	159.56%	8,561.35	54.63%	(1,130.05)	(62.50%)	(57.86)	60.12%	(1,187.91)
Balance as at March 31, 2022	141.23%	8,248.21	68.12%	(499.71)	(89.96%)	(17.79)	72.50%	(517.50)
Subsidiaries, Foreign:								
1 Ramco Systems Corporation, USA								
Balance as at March 31, 2023	30.18%	1,619.39	(0.75%)	15.45	137.44%	127.24	(7.22%)	142.69
Balance as at March 31, 2022	25.29%	1,476.69	(21.86%)	160.26	223.19%	44.14	(28.64%)	204.40
2 Ramco Systems Ltd., Switzerland								
Balance as at March 31, 2023	5.26%	282.14	(1.19%)	24.63	26.31%	24.36	(2.48%)	48.99
Balance as at March 31, 2022	4.00%	233.15	(1.43%)	10.51	48.02%	9.50	(2.81%)	20.01
3 Ramco Systems Pte. Ltd., Singapore								
Balance as at March 31, 2023	(13.37%)	(717.42)	10.85%	(224.44)	(59.52%)	(55.10)	14.15%	(279.54)
Balance as at March 31, 2022	(7.50%)	(437.87)	38.11%	(279.55)	(48.95%)	(9.68)	40.52%	(289.23)
4 Ramco Systems Sdn. Bhd., Malaysia								
Balance as at March 31, 2023	(7.46%)	(400.28)	6.61%	(136.67)	(14.90%)	(13.79)	7.62%	(150.46)
Balance as at March 31, 2022	(4.28%)	(249.81)	7.28%	(53.42)	(25.23%)	(4.99)	8.18%	(58.41)
5 RSL Enterprise Solutions (Pty) Ltd., South Africa								
Balance as at March 31, 2023	0.11%	6.10	(0.56%)	11.63	0.67%	0.62	(0.62%)	12.25
Balance as at March 31, 2022	0.25%	14.44	(2.87%)	21.08	4.45%	0.88	(3.08%)	21.96
6 Ramco Systems Canada Inc., Canada								
Balance as at March 31, 2023	0.72%	38.37	1.10%	(22.77)	0.33%	0.31	1.14%	(22.46)
Balance as at March 31, 2022	1.04%	60.83	(2.03%)	14.89	10.37%	2.05	(2.37%)	16.94
7 Ramco Systems FZ-LLC, Dubai								
Balance as at March 31, 2023	7.68%	411.81	12.24%	(253.25)	52.14%	48.27	10.37%	(204.98)
Balance as at March 31, 2022	10.56%	616.79	(1.74%)	12.79	95.88%	18.96	(4.45%)	31.75
8 R S L Software Co. Ltd., Sudan								
Balance as at March 31, 2023	0.02%	1.33	(0.02%)	0.41	(0.36%)	(0.33)	0.00%	0.08
Balance as at March 31, 2022	0.02%	1.23	(0.02%)	0.14	(0.86%)	(0.17)	(0.00%)	(0.03)



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

30. Statutory group information (Contd.)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to total comprehensive income	Rs. Mln.
9 Ramco Systems Australia Pty Ltd., Australia								
Balance as at March 31, 2023	(10.29%)	(551.94)	12.00%	(248.22)	18.80%	17.40	11.68%	(230.82)
Balance as at March 31, 2022	(10.09%)	(589.07)	9.98%	(73.20)	(57.29%)	(11.33)	11.84%	(84.53)
10 Ramco System Inc., Philippines								
Balance as at March 31, 2023	2.81%	150.73	2.18%	(45.11)	5.57%	5.16	2.02%	(39.95)
Balance as at March 31, 2022	3.26%	190.68	(3.04%)	22.32	(40.20%)	(7.95)	(2.01%)	14.37
11 Ramco Systems (Shanghai) Co. Ltd., China								
Balance as at March 31, 2023	(0.49%)	(26.53)	0.56%	(11.48)	(0.66%)	(0.61)	0.61%	(12.09)
Balance as at March 31, 2022	(0.25%)	(14.44)	2.80%	(20.55)	(1.42%)	(0.28)	2.92%	(20.83)
12 Ramco System Vietnam Company Limited, Vietnam								
Balance as at March 31, 2023	(0.08%)	(4.39)	0.12%	(2.55)	(0.32%)	(0.30)	0.14%	(2.85)
Balance as at March 31, 2022	(0.03%)	(1.54)	0.45%	(3.32)	-	-	0.47%	(3.32)
13 PT Ramco Systems Indonesia, Indonesia								
Balance as at March 31, 2023	(1.03%)	(55.32)	0.72%	(14.87)	(1.77%)	(1.64)	0.84%	(16.51)
Balance as at March 31, 2022	(0.66%)	(38.80)	4.00%	(29.33)	(17.55%)	(3.47)	4.60%	(32.80)
14 Ramco Systems Macao Limited, Macao								
Balance as at March 31, 2023	(0.02%)	(1.08)	0.01%	(0.27)	(0.08%)	(0.07)	0.02%	(0.34)
Balance as at March 31, 2022	(0.01%)	(0.74)	0.03%	(0.23)	(0.10%)	(0.02)	0.04%	(0.25)
15 Ramco Software Japan Limited, Japan								
Balance as at March 31, 2023	(0.72%)	(38.81)	1.71%	(35.39)	(1.47%)	(1.36)	1.86%	(36.75)
Balance as at March 31, 2022	(0.04%)	(2.05)	1.15%	(8.41)	(0.30%)	(0.06)	1.19%	(8.47)
16 Ramco Systems Defense and Security Incorporated, USA								
Balance as at March 31, 2023	0.14%	7.30	(0.20%)	4.20	0.30%	0.28	(0.23%)	4.48
Balance as at March 31, 2022	0.05%	2.83	0.63%	(4.61)	(0.05%)	(0.01)	0.65%	(4.62)
Non-controlling interests								
Balance as at March 31, 2023	(0.63%)	(34.06)	(0.01%)	0.19	-	-	(0.01%)	0.19
Balance as at March 31, 2022	(0.59%)	(34.26)	0.58%	(4.29)	-	-	0.60%	(4.29)

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

30. Statutory group information (Contd.)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % to consolidated net assets	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to consolidated profit and loss	Rs. Mln.	As % to total comprehensive income	Rs. Mln.
Associate, Foreign								
Cityworks (Pty.) Limited, South Africa								
Balance as at March 31, 2023	0.31%	16.54	(0.01%)	0.16	-	-	(0.01%)	0.16
Balance as at March 31, 2022	0.28%	16.38	(0.14%)	1.04	-	-	(0.15%)	1.04
Effect of inter company eliminations / adjustments								
Balance as at March 31, 2023	(72.68%)	(3,899.75)						
Balance as at March 31, 2022	(62.53%)	(3,652.21)						
Total	100.00%	5,365.48	100.00%	(2,068.40)	100.00%	92.58	100.00%	(1,975.82)
Balance as at March 31, 2022	100.00%	5,840.44	100.00%	(733.59)	100.00%	19.78	100.00%	(713.81)

31. Impact Of Covid-19

COVID-19 has impacted the business and the Group is recovering from the adverse business impact created by it. However, the Group's capital and financial resources are well protected, though there was an impact on the revenue and profitability during the year. The liquidity position of the Group is adequate and strengthened by Preferential Issue 2022. The Group has been servicing its interim debt obligations as per schedule on the due dates. The Group has sufficient liquidity / financial arrangements for the continuity of its business operations.

The Group is confident of its ability to serve its debt and other obligations in future as well. The Group is confident to raise funds that may be required in the future. The Group has got adequate internal financial controls commensurate with the size and nature of its operations and pertaining to financial reporting. There is no impact on the Group's supply chain. The Group does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

The Group has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non-financial assets and as per the current assessment of the Group, there is no material impact in respect of these in the preparation of the financial statements. However, the impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to monitor the uncertainties caused by COVID-19 to assess the impact on our future economic conditions.

32. Other Disclosures

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III by the Group:

- Crypto currency or virtual currency.
- Benami property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

32. Other disclosures (Contd.)

- (c) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (d) Relating to borrowed funds:
- Wilful defaulter
 - Utilization of borrowed funds & share premium
 - Discrepancy in utilization of borrowings
 - Current maturity of long term borrowings
- (e) Registration of charges or satisfaction with Registrar of Companies to be filed beyond the statutory period.
- (f) Loans or advances in the nature of loans, granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment, other than to the subsidiaries as disclosed in the Standalone Financial Statements.

33. Preferential Issue 2022

During the year, a Preferential Issue of Equity Shares and Warrants Fully Convertible into Equity Shares each at a price of Rs.274/-, aggregating to Rs.1,600 Mln. was made and the shares / warrants were allotted on February 01, 2023 as per details below:

Sl. no.	Name of the allottees	Category	Issue size Rs. Mln.	Consideration received Rs. Mln.	No. of. securities allotted
1	Ramco Industries Limited	Promoter Group	450.00	450.00	1,642,335 equity shares
2	Atyant Capital India Fund-I	Non-Promoter	375.00	375.00	1,368,613 equity shares
3	Vanderbilt University	Non-Promoter	375.00	375.00	1,368,613 equity shares
4	Mr. P R Venketrama Raja	Promoter	400.00	100.00*	1,459,854 warrants
			1,600.00	1,300.00	

* Represents upfront payment of 25%. The warrants shall be convertible into equity shares, in one or more tranches, within a period of 18 months from the date of allotment, failing which the amount paid shall be forfeited.

The utilization of the proceeds of "Preferential Issue 2022" is given below:

Rs. Mln.

Particulars	Amount specified as per notice of postal ballot dated December 22, 2022	Actuals for the quarter and year ended March 31, 2023
Proceeds		
Proceeds received		1,300.00
Utilization		
Repayment of borrowings (Range 920 to 1000)	950.00	675.00
Sales & marketing expenses	100.00	13.80
Capital expenditure towards tangible & intangible assets	200.00	46.20
General corporate purposes (Range 320 to 380)	350.00	-
	1,600.00	735.00
Balance available as on March 31, 2023 and temporarily invested in Bank deposits / Mutual funds		565.00

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

34. Other Notes

- a. Figures for the previous year(s) have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.
- b. The figures in Rupees and USD have been rounded off to the million with two decimals in current and previous year.

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**

Chartered Accountants

Firm Registration No.: 001208S

K SRINIVASAN

Partner

Membership No.: 021510

Place: Chennai

Date: May 17, 2023

P R VENKETRAMA RAJA

Chairman

P V ABINAV RAMASUBRAMANIAM RAJA

Whole Time Director

R RAVI KULA CHANDRAN

Chief Financial Officer

SOUNDARA KUMAR

Director

Vancouver, Canada

N E VIJAYA RAGHAVAN

Company Secretary



RAMCO SYSTEMS LIMITED

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

CIN: L72300TN1997PLC037550, E-mail : investorrelations@ramco.com

Website: www.ramco.com

PHONE: +91 44 2235 4510 / 6653 4000, Fax : +91 44 2235 2884

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Sixth Annual General Meeting ("AGM") of the Members of Ramco Systems Limited, will be held on Thursday, August 10, 2023 at 3.00 p.m. through Video Conferencing / Other Audio Visual Means (VC), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the Report of the Board of Directors, Audited Separate (Standalone) Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

"RESOLVED THAT the Board's Report and the Company's Separate (Standalone) and Consolidated Audited Financial Statements for the year ended March 31, 2023 and the Auditors' Reports thereon be and are hereby considered and adopted"

2. To consider and appoint a Director in place of Mr. A V Dharmakrishnan (DIN:00693181), who retires by rotation and being eligible, has offered himself for re-appointment:

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

SPECIAL BUSINESS:

3. To consider and if though fit, pass the following resolution as a **SPECIAL RESOLUTION**:

To consider and approve the re-appointment of Justice Mr. P P S Janarthana Raja (Retd.) (DIN:06702871) as an Independent Director for another term of five (5) consecutive years.

"RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") as amended from time to time, Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, Justice Mr. P P S Janarthana Raja (Retd.) (DIN:06702871), who was appointed as an Independent Director of the Company for a period of five years, i.e., from, August 29, 2018 to August 28, 2023, and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for another term of five (5) consecutive years, i.e., from August 29, 2023 to August 28, 2028."

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

Place : Chennai
Date : May 17, 2023

P R VENKETRAMA RAJA
Chairman

NOTES:

1. The Company has chosen to conduct this AGM through VC. The AGM would be conducted in compliance with the applicable provisions of the Companies Act, 2013 ("The Act") read with Ministry of Corporate affairs ("MCA") General Circular No. 10/2022 dated December 28, 2022 and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and such other instructions as may be issued by Statutory Authorities. Hence, Members can attend and participate in the ensuing AGM through VC.
2. Statement pursuant to Section 102 of the Act, setting out the material facts concerning item of special business are annexed hereto. Information in respect of the Director seeking re-election/re-appointment as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") and as required under Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are included in this Notice.
3. Electronic copy of the Notice for the AGM and the Annual Report for the financial year (FY) 2022-23 are being sent to all the Members whose e-mail ids are registered with the Company/Depository Participants ("DP"). Dispatching of physical copies of the Financial Statements (including Board's Report, Auditors' Report or other documents required to be attached therewith), has been dispensed with. Such Statements are being sent only by email to the Members and to all other persons so entitled. The Notice and the Annual Report will also be available for download on the Company's website – www.ramco.com and at the websites of Stock Exchanges Viz., BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the Company's shares are listed. The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited ("CDSL") (the agency appointed by the Company for providing the Remote e-voting facility, e-voting system during the AGM & participate in the AGM through the VC facility) i.e. www.evotingindia.com.
4. As this AGM is being held through VC as per MCA/SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form and attendance slip including Route Map are not annexed to this Notice.
5. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their e-mail addresses updated with the DP are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their folio number, to our Registrar and Share Transfer Agent, viz., Cameo Corporate Services Limited, (Unit: Ramco Systems Limited), ("RTA") in the URL <https://investors.cameoindia.com/> by writing to them at 'Subramanian Building,' No.1, Club House Road, Chennai 600 002, or by e-mail to investor@cameoindia.com.
6. As per Regulation 40 of SEBI LODR, securities of listed Companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for any assistance in this regard.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP's in case the shares are held by them in electronic form and to RTA/Company in case the shares are held by them in physical form. The said changes related to physical shares to be intimated in prescribed Form ISR -1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said forms can be downloaded from the Company's website <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate;

claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Company's website <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA/Company in case the shares are held in physical form. It may be noted that any service request can be processed only after the folio is in KYC Compliant.

9. In accordance with Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website.
10. The Company is also releasing a public notice by way of advertisement being published in English in Business Standard (all editions) and in vernacular language in Makkal Kural (all editions), containing the following information:
 - a. Convening of AGM through VC in compliance with applicable provisions of the Act.
 - b. Date and Time of the AGM.
 - c. Availability of Notice of the Meeting on the website of the Company and in the Stock Exchanges, viz. BSE and NSE where the Company's shares are listed and at <https://www.evotingindia.com>.
 - d. Requesting the Members who have not registered their e-mail addresses, to get the same registered with the RTA in the URL <https://investors.cameoindia.com/>. Members are requested to register their email addresses with their DP in case the shares are held in dematerialized form.

- e. Reference to the link of the Company's website, providing access to the full Annual Report.

11. The cut-off date will be August 03, 2023 for determining the eligibility to vote by remote e-voting or in the AGM.
12. Voting Through Electronic Means:
 - 12.1 In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and circulars issued by MCA in this regard and Regulation 44 of SEBI LODR the Company is providing remote e-voting facility through the e-voting platform provided by CDSL to enable Members to exercise their right to vote at the 26th AGM by electronic means and the business may be transacted through such voting, through e-voting services provided by CDSL.
 - 12.2 The remote e-voting period begins at 9:00 a.m. on Monday, the August 07, 2023 and ends at 05:00 p.m. on Wednesday, the August 09, 2023. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., on Wednesday, the August 03, 2023 may cast their vote electronically. The remote e-voting shall not be allowed beyond 5.00 p.m. on Wednesday, the August 09, 2023. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - 12.3 In terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with DP. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.
 - 12.4 Pursuant to said SEBI Circular, Login method for e-voting and joining the AGM through VC for Individual Members holding securities in demat mode are given below:

Type of Members	Login Method
Members holding securities in demat mode with CDSL Depository	<ol style="list-style-type: none"> <li data-bbox="480 229 1484 400">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. <li data-bbox="480 421 1484 666">2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-voting service providers' website directly. <li data-bbox="480 687 1484 751">3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration . <li data-bbox="480 772 1484 963">4) Alternatively, the user can directly access e-voting page by providing demat account number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Members holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li data-bbox="480 974 1484 1325">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting. <li data-bbox="480 1347 1484 1432">2) If the user is not registered for IDeAS e-Services, option to register is available at https:// eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. <li data-bbox="480 1453 1484 1793">3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number holding with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting.

Type of Members	Login Method
Members (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

12.5 Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000.

12.6 Login method for e-voting and joining the AGM through VC for Members other than individual shareholders holding in demat form & for those holding in physical form:

- a. The Members should log on to the e-voting website www.evotingindia.com
- b. Click on “Shareholders” module
- c. Now enter your User ID
- d. For CDSL: 16 digits beneficiary ID
For NSDL: 8 Character DP ID followed by 8 Digits Client ID
Members holding shares in physical form should enter folio number registered with the Company
- e. Next enter the Image Verification as displayed and Click on Login
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used
- g. If you are a first-time user, follow the steps given below:

For Members holding shares in demat form other than individual and physical form

PAN	Enter your 10 digit alpha-numeric PAN issued by income Tax Department (applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/DP are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend bank details OR Date of Birth (DOB)	Enter the Dividend bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company please enter the Member id / folio number in the Dividend bank details field as mentioned in instruction 12.6.

- h. After entering these details appropriately, click on “SUBMIT” tab.

- 12.7 Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 12.8 For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 12.9 Click on the EVSN for Ramco Systems Limited on which you choose to vote.
- 12.10 On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12.11 Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- 12.12 After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 12.13 Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 12.14 You can also take print of the voting done by you by clicking on "Click here to print" option on the voting page.
- 12.15 If a demat account holder has forgotten the changed password then enter the User ID and captcha Code click on forgot password & enter the details as prompted by the system.
- 12.16 There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- 12.17 Facility for non-individual Members and custodians - Remote e-voting:
- a. Non individual Members (i.e. other than individuals, HUF, NRI etc.) and custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - b. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian/ authorized person, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - f. Alternatively Non-individual Members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer at srinivasan.k@msjandnk.in and to the Company at the above mention email address of the Company, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.
- 12.18 All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.
13. **Instructions for Members attending the AGM through VC & e-voting during the AGM are as under:**
- 13.1 The Company would be providing the CDSL system for the Members to cast their vote through remote e-voting and participate in the AGM through VC. Members may access the same at <https://www.evotingindia.com> under shareholders/ Members login by using the remote e-voting credentials.
 - 13.2 The procedure for attending Meeting & e-voting on the day of the AGM are the same as the instructions mentioned for Remote e-voting in point no.12.
 - 13.3 The Members can join the AGM in the VC mode up to 15 minutes before and after the scheduled time

- of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1000 Members on first come first served basis. This will not include Members holding 2% or more shareholding, promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM.
- 13.4 Members are requested to join the Meeting through laptops / IPad's for better experience and will be required to have webcam and use internet with a good speed to avoid any disturbance during the Meeting.
- 13.5 Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through laptop via Mobile Hotspot.
- 13.6 Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request at least 3 days prior to Meeting mentioning your name, demataccount number /folio number, email id, mobile number (as registered with the DP/Company) to the mail id: investorrelations@ramco.com. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
- 13.7 Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to Meeting mentioning your name, demat account number/folio number, email id, mobile number to the mail id: investorrelations@ramco.com. These queries will be replied by the Company suitably by email.
- 13.8 Non-Individual Members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the Board Resolution authorizing their representative to attend on their behalf at the Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to srinivasan.k@msjandnk.in and helpdesk.evoting@cdslindia.com.
- 13.9 The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- 13.10 The link for VC will be available in shareholder/ Members login where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting in point no.12.
- 13.11 The Members who have voted through Remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
- 13.12 Only those Members, who are present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- 13.13 If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the Meeting through VC facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.
- 13.14 In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 13.15 Norms for furnishing of PAN, KYC, Bank details and Nomination:
- Pursuant to SEBI Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA.
- The securities in the frozen folios shall be eligible:
- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
 - To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website <https://www.ramco.com/investor-relations/investor-information/common-and-simplified-norms/>. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

The Company is in the process of despatching a letter to the Members holding shares in physical form in relation to the above referred SEBI Circular. Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.

Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.

14. Process for those Members whose email / mobile no. are not registered with the RTA / Depositories:

- a. For physical shareholders - please provide your email id / mobile no. along with necessary details like folio no., name of the Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of AADHAAR Card) by email to the Company investorrelations@ramco.com.
- b. For demat shareholders, please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining the AGM through VC through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

15. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. August 03, 2023 may obtain the login ID and password by following the procedures mentioned in Point No: 12.4 to 12.6, as the case may be.
16. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 03, 2023.
17. Mr. K Srinivasan, Chartered Accountant (Membership No.021510), Partner, M S Jagannathan & N Krishnaswami, Chartered Accountants (email: srinivasan.k@msjandnk.in) has been appointed as the Scrutinizer to scrutinize the remote e-voting process, in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than forty eight hours of the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and the Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
19. The Results declared along with the report of the scrutinizer shall be placed on the website of the Company www.ramco.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

Place : Chennai
Date : May 17, 2023

P R VENKETRAMA RAJA
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT

Item No.3

At the Annual General Meeting held on August 08, 2019, Justice Mr. P P S Janarthana Raja (Retd.) (DIN:06702871) was appointed as an Independent Director of the Company, for a period of five (5) consecutive years from August 29, 2018 to August 28, 2023. In accordance with Section 149(10) of the Act, he is eligible for re-appointment upon passing of a Special Resolution at the General Meeting of the Company.

In accordance with Regulation 17(10) of SEBI LODR and Schedule IV of the Act, 2013, the Board of Directors have evaluated the performance of Justice Mr. P P S Janarthana Raja (Retd.), as an Independent Director and found the same to be satisfactory and his contributions to the deliberations were beneficial in Board / Committee Meetings.

In accordance with Part D(A)(5) of Schedule II, read with Regulation 19(4) of SEBI LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on May 17, 2023 had recommended to extend the term of office of Justice Mr. P P S Janarthana Raja (Retd.) by reappointing him for another period of five (5) consecutive years from August 29, 2023 to August 28, 2028. The consent of the Independent Director for his re-appointment along with declaration that he meets the criteria of independence u/s 149(6) of the Act and SEBI LODR have been received.

In accordance with SEBI LODR, no listed Company shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a special resolution passed to that effect. It may be noted Justice Mr. P P S Janarthana Raja(Retd.), will attain the age

of 75 years during his another period of five (5) consecutive years. Therefore, this statement may also be regarded as an appropriate disclosure under Regulation 17(1A) of SEBI LODR.

In accordance with Proviso to Section 152(5) of the Act, the Board of Directors have also formed an opinion that Justice Mr. P P S Janarthana Raja (Retd.) fulfils the conditions specified in the Act for such re-appointment. He is not holding any shares in the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Justice Mr. P P S Janarthana Raja (Retd.) is eligible for the sitting fee for attending Board / Committee Meetings and Meeting of Independent Directors as applicable to the Directors from time to time. His re-appointment and remuneration are in accordance with the Nomination and Remuneration Policy of the Company.

His Profile in brief is given below:-

Justice Mr. P P S Janarthana Raja (Retd.), 72 years, is a graduate in Law from the Madras Law College, had been in active practice mainly on the Taxation matters for the past four decades from 1977. He was appointed as an Additional Judge of High Court of Madras during December, 2005 and had become a Permanent Judge of the High Court from April, 2007. After a term of seven (7) years as High Court Judge, he retired on January 21, 2013. He has been on the Board of Directors of the Company since August 29, 2018. His core skills/expertise/competencies are amongst the others, expert legal Knowledge, Tax Planning and Management.

He is also the Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. During the year, he has attended all the Meetings of the Board and its Committees, where he is a Member.

He is also a Director in the following other Companies: -

Sl. No.	Names of the Entities	Nature of Interest	Sl. No.	Names of the Entities	Nature of Interest
1.	Muthialpet Higher Secondary School	Director	3.	The Ramaraju Surgical Cotton Mills Limited	Director
2.	Rajapalayam Mills Limited	Director	4.	Lynks Logistics Limited	Director

He is also a Member in the following Committees of other Companies: -

Sl. No.	Names of the Company	Name of the Committee	Position Held
1.	Rajapalayam Mills Limited	Audit Committee	Chairperson
		Nomination and Remuneration Committee	Chairperson
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Member
		Risk Management Committee	Member
		Rights Issue Committee	Member
2.	The Ramaraju Surgical Cotton Mills Limited	Audit Committee	Chairperson
3.	Lynks Logistics Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member

The draft letter of re-appointment for Justice Mr. P P S Janarthana Raja (Retd.) as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

Disclosure of Interest:

Except Justice Mr. P P S Janarthana Raja (Retd.), being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of SEBI LODR.

The Board recommends the resolution set out at Item No.3 of the Notice for approval by the Members by way of a Special Resolution.

INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATION 36(3) OF SEBI LODR AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS:

In accordance with the provisions of Section 152 of the Act, Mr. A V Dharmakrishnan, (DIN:00693181), Director, retires by rotation and is seeking re-appointment at the ensuing AGM.

Mr. A V Dharmakrishnan, 66 years, Non-Executive & Non-Independent Director, qualified as a Chartered Accountant in the year 1980 and is a member of Institute of Chartered Accountants of India. Mr. A V Dharmakrishnan has about 43 years of professional experience. He is currently the Chief Executive Officer of The Ramco Cements Limited (TRCL) and has been associated with TRCL for 41 years since May 1982. He has been on the Board of Directors of the Company since January 31, 2008. He is also a Member of Audit Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Fund Raising Committee of the Company. Mr. A V Dharmakrishnan holds 188,192 shares in the Company as on March 31, 2023.

During the year, he has attended all the Meetings of the Board and its Committees, where he is a Member. He is not related to Directors or Key Managerial Personnel of the Company.

He is also a Director in the following other Companies: -

Sl. No.	Names of the Entities	Nature of Interest
1.	Rajapalayam Mills Limited	Director
2.	Shri Harini Media Limited	Director
3.	Ramco Windfarms Limited	Director
4.	Lynks Logistics Limited	Director
5.	Madurai Trans Carrier Limited	Director
6.	Ramco Industrial and Technology Services Limited	Director
7.	L3 Enterprises Private Limited	Director

He is also a Member in the following Committees of other Companies: -

Sl. No.	Name of the Company	Name of the Committee	Position
1.	Rajapalayam Mills Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Risk Management Committee	Member
		Rights Issue Committee	Member
2.	Shri Harini Media Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Independent Director Committee	Member
3.	Lynks Logistics Limited	Securities Allotment Committee	Member

Disclosure of Interest:

Except Mr. A V Dharmakrishnan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the Resolution. The Notice together with this statement may be regarded as a disclosure under Regulation 36(3) of SEBI LODR.

By Order of the Board,
For RAMCO SYSTEMS LIMITED

Place : Chennai
Date : May 17, 2023

P R VENKETRAMA RAJA
Chairman

Overseas Locations

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