



ANNUAL REPORT
2003

**RAMCO SYSTEMS LIMITED**

47 P.S.K NAGAR, RAJAPALAIYAM-626 108

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of Ramco Systems Limited will be held on Monday, the 11th August 2003 at 2.30 p.m. at P A C R Centenary Memorial Community Hall, PAC Ramasamy Raja Salai, Rajapalaiyam - 626 108 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri.M.M. Venkatachalam, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Shri.V.Jagadisan who retires by rotation and is eligible for reappointment.
4. To appoint auditors and fix their remuneration.

"RESOLVED THAT Messrs.CNGSN & Associates, Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration as may be determined by the Board of Directors".

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

Place: Chennai
Date : 23rd June 2003

P.R.RAMASUBRAHMANEYA RAJHA
CHAIRMAN

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company. Proxy form must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the company will remain closed on Monday, the 11th August 2003.
3. The retiring Auditors Messrs. S. Viswanathan, Chartered Accountants have given the Company a Notice in writing of their intention not to seek reappointment. A special notice in terms of Section 190 of the Companies Act, 1956 has been received under Section 225 (1) from a Member proposing the appointment of Messrs. CNGSN & Associates, Chartered Accountants as Auditors of the Company in their place.

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

As per the provisions of Section 256 of the Companies Act, 1956, Shri. M.M Venkatachalam and Shri. V. Jagadisan are retiring by rotation and are seeking reelection at the ensuing Annual General Meeting.

1. Shri.M.M.Venkatachalam, is a graduate in agriculture from the University of Agricultural Sciences in Bangalore and an MBA from George Washington University, USA.

Details of other directorship held by Shri. M.M. Venkatachalam are as follows :

MM Muthaiah Sons Pvt. Ltd.
New Ambadi Estates Pvt. Ltd.
Polutech Ltd.
Confectionary Specialities Ltd.
Cholamandalam Factoring Ltd.
Coromandel Bathware Ltd.
Parry Investment & Finance Co Ltd.
Cholamandalam Distribution Services Ltd.
Cholamandalam Securities Ltd.
Laser Words Pvt. Ltd. - Managing Director

2. Shri.V.Jagadisan is a leading senior Chartered Accountant and Tax Consultant in Chennai.

Details of other directorship held by Shri. V. Jagadisan are as follows :

PEC Potentiometers Ltd.
Southern Technologies Ltd.



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Client ID No.	
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Folio No.	
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No. of Shares	
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ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)

Name of the attending Member/Proxy (in Block Letters) :

I hereby record my presence at the Sixth Annual General Meeting held on Monday, the 11th August 2003, at 2.30 p.m. at P A C R Centenary Memorial Community Hall, PAC Ramasamy Raja Salai, Rajapalaiyam - 626 108.

Member's/Proxy's Signature

**RAMCO SYSTEMS LIMITED**

47 P.S.K NAGAR, RAJAPALAIYAM-626 108

Client ID No.	
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Folio No.	
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No. of Shares	
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PROXY FORM

I/We Son of / Wife of / Daughter of

residing at

being a member / members of Ramco Systems Limited do hereby appoint Shri/Smt

Son of / Wife of / Daughter ofresiding at

failing him Shri/SmtSon of / Wife of / Daughter of

residing at

as my/our proxy to vote for me/us, on and my/our behalf at the Sixth Annual General Meeting of the Company to be held on Monday, the 11th August 2003, at 2.30 p.m. and at any adjournment thereof.

Please
affix Re.1/-
Revenue
Stamp

Signed this day of2003.

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

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Dear Shareholders,

During the year, we made substantial investments in perfecting Ramco VirtualWorks – your company's unique capability to assemble enterprise class applications. This groundbreaking, model-based development and delivery platform enables rapid assembly of personalized applications and addresses the unique, best and next business practices of an enterprise.

Over the year, the company has been successfully implementing solutions using this platform for several prestigious customers. The company plans to extend the offerings to a whole host of industries/verticals during the coming year. With a greater market penetration in focus, the company has taken on board senior management professionals in USA & Europe.

During the year, we have consolidated and fine-tuned our solutions offering capability to enterprises. As an organization, we have made good progress in the Aviation, Manufacturing and Service segments.

Ramco Business Decisions (RBD) – a smart Corporate Performance Management Solution was launched during the year. This offering has been well received by prospects and analysts. We have already bagged orders for RBD from private and government organizations and in one such instance we will be providing Crime Analytics for a state government police network.

Our Human Resources Management Solutions continue to win strategic accounts in emerging markets including IT Enabled Services and people-intensive organizations. We have bagged key Public Sector and Government orders in India and in the Asia-Pac region.

Recently we have been distinguished for our capability to offer innovative ASP solutions. Our solutions have won the "Gold Award" in the category of "Most Innovative Software" presented at CeBIT 2003, Hannover, Germany. We have developed these solutions for Triamun AG in the field of healthcare management. This project has also been selected as one of the fifteen best software projects in the forthcoming Orbit Comdex, Basel, Switzerland.

We have also won the 'Best Solution Provider' award for implementing our solutions in Savage Arms at the International Conference & Exposition organized by American Productivity & Inventory Control Society (APICS) in Nashville, USA.

The Secure Converged Networking Solutions business has won prestigious deals and this business is moving up the value chain to provide 'Consultancy Services' and 'Complete Contact Center Solutions'.

We have achieved revenues of Rs.810.25 million in the fiscal year 2002-03. The global revenues of Ramco Systems Limited, including revenues from subsidiaries in USA, Switzerland, Singapore and Malaysia and branches in UK and Germany registered USD 32.32 million

While Ramco VirtualWorks is a breakthrough in the way solutions are conceived and the speed at which they are delivered to the market, your company's operations were greatly constrained as we were effecting large scale re-organizations to offer solutions based on this new platform.

Our internal transition to offer solutions based on the new technology platform involves a complete overhaul in the way we market and implement solutions. In spite of the encouraging market response to our new offerings, this transformation has impacted our revenues during the last fiscal.

Our prospect base has shown an impressive increase and we expect a healthy revenue growth in the next fiscal.

Warm regards,



PR Ramasubrahmaneya Rajha
Chairman



PR Venketrama Raja
Vice Chairman,
Managing Director and CEO

Corporate Themes

Our mission is to conceptualize and deliver enterprise solutions that enable organizations to close the gap between Business Reality and IT capability and in the process provide strategic advantage to business.

We are establishing a superior way of delivering enterprise solutions to provide significant value to customers. The focus is to nurture a critical mass of successful implementations for this approach in select vertical markets, thereby paving way for rapid growth.



Personalized Assembly of Enterprise Solutions

We are focusing on Financial Services, Manufacturing, Government, Healthcare, Aviation, Utilities and Enterprise Asset Management. In each of these markets we are addressing specific solution spaces which are not served or under served due to inadequacies of the current generation enterprise solutions.

The superior solution delivery capability of Ramco VirtualWorks, addresses the following market spaces:

- Where application development projects are outsourced, we offer a new generation of capabilities that provide an early time-to-enjoy with lower effort, better quality and at a lower total cost of ownership.
- Where ERP solutions have not provided adequate results primarily because of changing needs or unique requirements not supported by products, we offer personalized assembly of enterprise solutions to meet the business objectives on an ongoing basis at lower total cost of ownership.
- In cases where multiple, disparate systems and organizational re-configurations are leading to flaws in business processes, we provide business process transformation solutions. These solutions solve immediate process improvement needs in stages to meet a longer-term transformation objective, at lower efforts and faster time frames.

We are in the process of delivering solutions to many customers on Ramco VirtualWorks. Our experience in delivering enterprise solutions coupled with the sustainable competitive advantage provided by the solution delivery platform is now attracting a high level of interest among the analyst community, the press and prospects / customers.

◆ Providing better value in Outsourcing

Outsourcing of application software development has become a mature industry. Organizations have gained in terms of costs, reduction in capital expenditure and have leveraged expertise not available in their organization. Processes and maturity levels have gone up. Outsourcing organizations have learned to deal with multiple partners, to reduce risk and also to assure themselves of quality.

The pressure for more output has increased, while budgets have decreased. The current capabilities of enterprise application outsourcing have reached maximum limits of scalability or improvement. Improved solutions are required to take outsourcing to the next level. Outsourcing solutions also typically run into rough weather when complex projects are involved.

Until now, most IT departments have focused much of their attention onto one particular cost variable in outsourcing- the 'rate per hour'. Although an important factor in a project's total cost, the total 'effort,' measured over the long-term of the project, can have a much greater impact on a business' total project cost.

We have been working over the years on reducing the 'Effort' part of this equation through Ramco VirtualWorks. Reducing effort is not just simply reducing costs, but it is also directly associated with increases in quality, time to benefit, and the overall project success rate. By reducing the effort a number of advantages stem in immediately. The biggest benefits are shorter time frames to enjoy the benefits of the application and higher on-time delivery of software. By lowering the complexity, the project becomes easier to manage especially when being executed remotely. By enhancing collaboration, using visual verification mechanisms and web based specification workbenches, the primary cause of project failure – 'wrong requirements' is largely eliminated.

◆ Leveraging new Market Opportunities

We are now exploring the emerging opportunities in South Africa. This geography has a high market potential for e-governance and IT-facilitated service delivery in Government and para-state bodies. It is also the hub for providing IT solutions in the African continent. Further, there is a significant World Bank investment in creating IT infrastructure. By virtue of our strong Intellectual Property content we command high respect and hope to get a good share of the IT business.

We intend focusing on Federal and Regional government organizations, para-state organizations in infrastructure segment, select manufacturing and service segments

We had a visible launch and were prominently featured by the national press in South Africa. We are the first IT company to have been 'launched' by a South African government agency.

RAMCO SYSTEMS LIMITED

BOARD OF DIRECTORS

Shri. P.R. RAMASUBRAHMANEYA RAJHA
Chairman

Shri P.R. VENKETRAMA RAJA
Vice-Chairman, Managing Director & CEO

Shri. S.S. RAMACHANDRA RAJA

Shri. N.K. SHRIKANTAN RAJA

Shri. M.M. VENKATACHALAM

Shri. V. JAGADISAN

AUDITORS

Messrs. S. VISWANATHAN
Chartered Accountants, Chennai

BANKERS

State Bank of India

HDFC Bank Ltd.

Citibank N.A.

ICICI Bank Ltd.

UTI Bank Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE & RESEARCH AND DEVELOPMENT CENTER

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

SUBSIDIARIES

Ramco Systems Corporation, USA

Ramco Systems Limited, Switzerland

Ramco Systems Pte. Ltd, Singapore

Ramco Systems Sdn. Bhd., Malaysia

Registrar and Share Transfer Agent

Messrs. Cameo Corporate Services Limited

Subramaniam Building, No. 1, Club House Road, Mount Road, Chennai - 600 002.