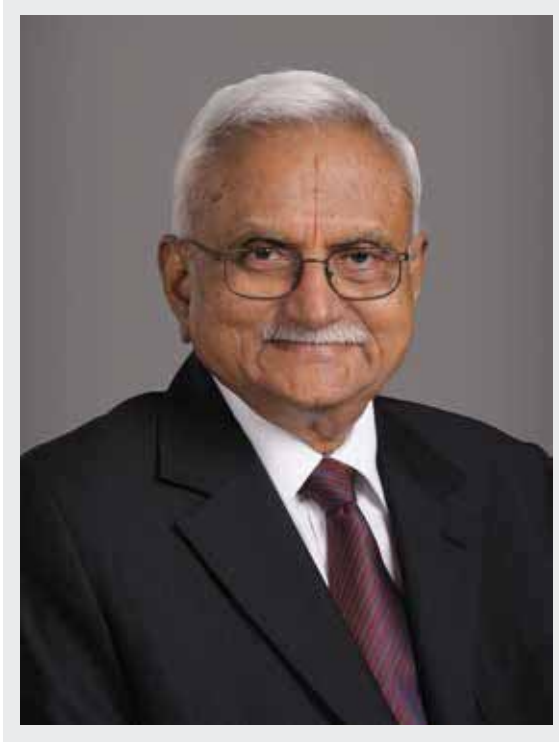




GOODBYE UI

Frictionless Era
of Computing
is here



"Gurubakthamani"
SHRI P R RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Ramco Group

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Board of Directors



Shri P R Venketrama Raja
Chairman

Shri P V Abinav Ramasubramaniam Raja
Whole-time Director

Shri M M Venkatachalam

Shri A V Dharmakrishnan

Shri R S Agarwal

Smt. Soundara Kumar

Shri Sankar Krishnan

Auditors: Messrs M S Jagannathan & N Krishnaswami, Chartered Accountants, Chennai

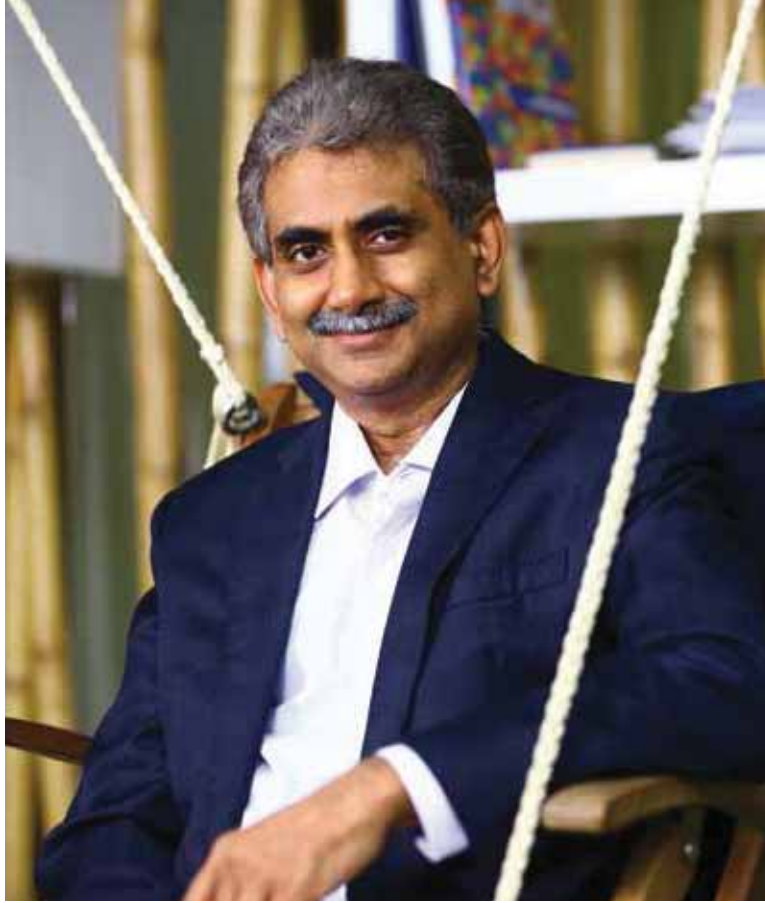
Bankers: Axis Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, Yes Bank Limited

Registered Office: 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, RSL Software Company Limited, Sudan, Ramco Systems Australia Pty Ltd, Australia, Ramco System Inc., Philippines, Ramco Systems (Shanghai) Co. Ltd., China, PT Ramco Systems Indonesia, Indonesia and Ramco System Vietnam Company Limited, Vietnam

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



Dear Shareholders,

We complete yet another exciting year, and I am happy to share this update with you. Your company has witnessed consistent growth in orderbook over the last few years and I am confident the momentum should sustain going forward, too.

Constant thrust on innovation, out-of-the box ideas and rigorous team effort have steered us towards growth trajectory. With focus on design thinking and innovation, today, we are witnessing an Indian product company surging ahead in the global arena. FY 2018 marked your company's entry into three Gartner Magic Quadrants for Cloud Financials, Human Capital Management and Enterprise Asset Management; ForresterWave for SaaS HRMS and IDC MarketScape for SaaS ERP. We are excited to share that we are the first and only APAC based company to make an entry into the above coveted reports.

While the traditional legacy software vendors are trying to become contemporary to stay competitive by acquiring functionality which adds to complexity; our complete focus has been on 'SIMPLIFICATION' to drive business efficiency and user experience for our end clients. The recent innovations around Chatbots or Google Assistant & Alexa based Voice Assistants are a step in the direction towards building Frictionless interactions.

Our focus on elegance and ease of use combined with the depth and breadth of our product line has been the key driver behind winning customer trust, globally. The Innovation center in India and Singapore focus on rapidly assimilating new technologies like Bots, Voice based virtual assistants, Blockchain, Artificial Intelligence into our platform. The investments we made early on in building a platform (Ramco VirtualWorks®) has enabled the above and continues to pay off as we are able to develop and roll out new innovations to the market, rapidly. We continue to focus on enabling our clients traverse the technology curve with ease and reap quantifiable benefits.

On business front, our Multi-country Payroll offering is getting wider reach and winning mandates from multinationals and Fortune companies with large headcounts. The ability to cover all of Asia (including China & Japan), Australia, New Zealand, Middle East and parts of Africa on a unified platform with next-gen Innovations and automation built-in is getting clients to entrust us for their Payroll needs. Going forward, the focus is to complete the picture by bringing more countries on Ramco's Global Payroll platform.

Logistics which continues to be a blue ocean in the ERP space has witnessed good traction build up. Some of our early wins in this segment have started going live and reaping the benefits of a unified system. The 'power of one' offering for the Logistics Service Providers (LSP) also brought home two awards – the "Logistics ERP of the year" award by Global Logistics Show and "Best IT Solution Provider in Supply Chain & Logistics" in 2017 award by ISCM - Institute of Supply Chain Management. As the market for generic ERP gets stagnant with little room for differentiation, our focus will be on identifying green shoots to build our strength around them.

Aviation continues to see good progress, triggered by need to bring mobility and new age technologies for business improvement. We identified an opportunity to connect the ecosystem and build an open API economy where demand and supply can be matched. This innovative new offering, under the 'Anywhere' series has seen very good interest and uptake from both existing and new prospects alike. From parts to mechanics, repairs to skills, the platform has the potential to open up newer markets in the Aerospace sector.

Operationally too, a lot of thrust and focus is being placed on better resource utilization and deeper account engagement. The financial profitability is a sign that our products have stabilized and are gaining global acceptance. We have signed some of the largest and marquee names across industries in the recent past and this has been possible because of strong endorsement from our clients. The average deal size has also seen an upward trend with the number of million dollar plus deals on the rise.

Overall, FY 2018 has given us a firm footing in the global enterprise applications market with leading analyst and research firms endorsing our product functionality and usability. All this and much more would not have been possible but for the trust and belief that our stakeholders place on the brand. The future looks promising and we are excited to travel ahead in this wonderful journey towards building a globally known enterprise software product company from India.

Regards,



P R Venketrama Raja

Chairman



THE FUTURE IS FRICTION FREE

AI is now trumping UI

Face is winning over interface

Bots are now connecting the missing dots

Voice is now everyone's choice

Phones are becoming drones

The frictionless is gaining traction

And, we at Ramco are excited to be pioneering this revolution

Ramco Systems Limited, INDIA

REPORT OF THE BOARD OF DIRECTORS

Your Board has pleasure in presenting the Twenty First Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2018.

1. FINANCIAL RESULTS

The standalone and consolidated audited financial results for the year ended 31st March 2018 and 31st March 2017 are as follows:

Particulars	Standalone for the year ended 31 st March		Consolidated for the year ended 31 st March	
	2018 (Rs. Mln.)	2017	2018 (Rs. Mln.)	2017
Revenue from Operations	2,849.77	2,779.41	4,692.19	4,491.77
Other Income	132.44	97.71	97.20	101.44
Total Revenue	2,982.21	2,877.12	4,789.39	4,593.21
Expenditure				
- Purchase of Stock-in-trade	7.00	7.19	7.87	35.58
- Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	(0.16)	2.06	(0.16)	2.06
- Employee Benefits Expense	931.68	1,059.71	2,018.10	2,060.33
- Other Expenses	696.82	1,239.05	1,908.26	2,310.26
Total Expenses	1,635.34	2,308.01	3,934.07	4,408.23
Profit Before Interest, Depreciation & Amortisation & Taxes	1,346.87	569.11	855.32	184.98
Depreciation and Amortisation Expense	486.85	464.26	500.98	477.60
Finance Costs	11.95	12.68	13.09	13.35
Profit Before Tax	848.07	92.17	341.25	(305.97)
Share of profit/(Loss) of an associate		-	1.41	1.50
Tax Expenses				
- Current Tax	160.71	52.12	186.87	67.62
- Deferred Tax (including MAT credit)	29.00	(466.73)	40.10	(480.85)
Net Profit After Tax	658.36	506.78	115.69	108.76
Other comprehensive income (OCI)	6.25	16.94	(10.84)	(5.55)
Total comprehensive income	664.61	523.72	104.85	103.21

2. BUSINESS OPERATIONS

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

BUSINESS OPERATIONS

