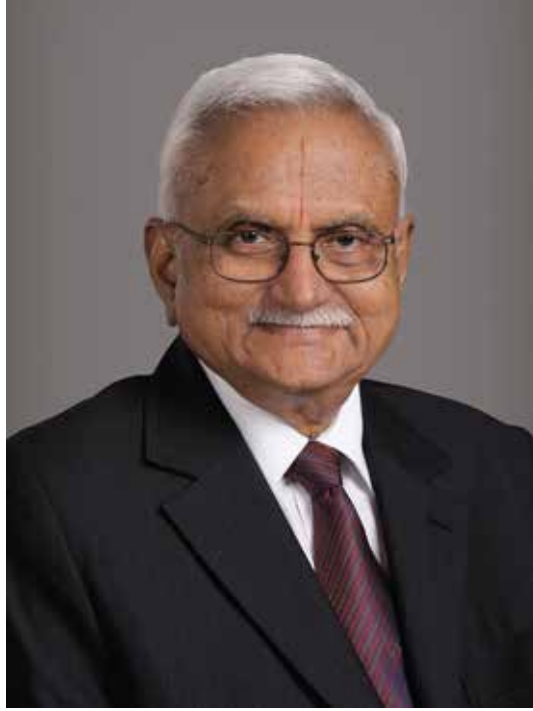


# DIGITAL TRANSFORMATION

Inspired by  
innovation







**"Gurubakthamani"**  
**Shri P R Ramasubrahmaneya Rajha**  
Sridharmarakshakar, Ramco Group

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the Annual Report



## 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, Chennai

**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

**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, 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 and Ramco Systems Macau Limited, Macau.

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



**“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.”**

**- CHARLES DARWIN**

## **Dear Shareholders,**

The pandemic has impacted the way we have lived our lives. It has challenged us to rethink, reboot and reflect on the way forward. In the face of uncertainty one thing is certain: businesses have changed the way they operate. Many new strategies have been undertaken and implemented by organizations to transform their business, from digitization to incorporating remote workforce policies.

At Ramco, we believe that technology should simplify business operations. It is this philosophy that inspires us to constantly innovate, which helps organizations throughout the world to keep abreast of emerging trends.

Our philosophy is particularly relevant during times of crisis, like the pandemic which has disrupted every aspect of our everyday lives. It is more urgent now than ever for businesses to adopt technology to survive and grow.

We too felt the impact of COVID-19 – from implementation challenges amidst remote working conditions to critical business functions needing immediate attention and other business challenges. Amidst the chaos, our focus on innovation remained the same. Ramco's Touchless Employee Experience or the Pandemic Control System is a testament to that. Within a short span of weeks, our Innovation Lab added thermal screening to RamcoGEEK, our existing facial recognition-based attendance system. With IoT integrations across turnstiles, kiosks and doors, and a system that also enables contact tracing and social distancing with real-time location sensing, the innovators at our lab were quick to launch a truly Touchless Employee Experience System. The agility in designing an application that has universal purpose and demand is what defines a true forward-looking business.

## **Digital Transformation – Inspired by Innovation**

In the world of business today, speed matters more than anything else, and Digital Transformation will be possible only when organizations are agile. Transforming operations will bring in operational excellence that will be driven by technology thus paving way for innovation and

excellence. This is where Digital Transformation steps in. We, at Ramco, continue to emphasize on the fact that a true Digital Transformation is all about results that should be driving an improvement that is not just incremental but substantial. What was expected to become a need by 2025, has now become urgent and important. At the heart of our Digital Transformation initiative lie five tenets:

- Zero UI
- AI and ML technology
- Frictionless computing
- Event-driven notifications
- Universal Personalization Engine (UPE)

The success of any DT initiative comes from carefully establishing the prime objective or motivation of initiating digital transformation right in the beginning – whether it is enabling transparency throughout organization, improving employee engagement and collaboration, boosting operational efficiency, increasing productivity or anything else. This has been setting the stage for deriving true results. Ramco's Digital Transformation promises:

- EBITDA Improvement
- NextGen Customer Experience (#CX)
- Building a real-time organization and making it agile

## Notes from the year bygone

Last year was an eventful one as our contributions were recognized and lauded by leading, reputed organizations. We won the 2019 Frost & Sullivan Asia-Pacific Enterprise Application Vendor of the Year Award for our innovations. We were recognized as a Notable Vendor in the Gartner Asia/Pacific Context: Magic Quadrant for Transportation Management Systems.

NelsonHall positioned us as a LEADER in its NEAT Matrix for Next Generation Payroll Services. We bagged the Best Payroll Software and Best Payroll Outsourcing Partner Award at the HR Vendors of the Year 2019 Awards in Singapore and Malaysia. Meanwhile, the implementation of our solutions at Standard Chartered Bank led us to win the 2019 Global Payroll Transformation Project of the Year award from Global Payroll Association.

Moving on to business performance, I am glad to say that we continued to explore new geographies besides winning the trust of marquee customers across industries.

ERP, last year, announced the biggest deal in the history of Ramco Systems with one of Philippines' largest players in the cement industry who chose us for their end-to-end digital transformation. We also had the world's second largest Human Resources provider and temporary staffing firm reaffirm its trust in Ramco.

On Logistics front, large multinational groups in the Middle East and leading logistics service providers in the APAC region signed up for our Logistics solution. Our focus in ANZ was on execution excellence in the previous year, and we made significant progress on this front too.

Meanwhile, HR & Global Payroll made inroads into the vast university sector in Australia, which is undergoing a massive HR transformation. We also added a Fortune 500 company to our list of premium clients. The business unit remained focused on successfully delivering go-lives on time thus building a strong customer base.

The Aviation segment expanded its presence into the North American Air Defense Adversary services industry. We also established ourselves in China with the win of two large players – HAECO & China Aircraft Services (CASL). On the other hand, we continued our dominance in the heli-operator segment with the addition of ASES, and a Mexico-based large heli-operator that chose Ramco Aviation Solution.

Overall, FY 20 was heading for a great finish except for the headwinds in the last quarter caused by the pandemic. We are truly grateful to each one of our valuable stakeholders, whose unwavering trust in us inspired us to innovate, win accolades, and grow. We promise to make the next year better and brighter with our Digital Transformation initiatives.

As we embrace the new normal, we understand we are all in it together. Let's bring in the positivity to rise above.

Stay Safe

Regards,



P R Venketrama Raja

# Annual Report 2020

## Theme

The ancient Japanese art of Origami (from “oru” meaning to fold, and “kami” meaning paper) is all about turning something simple into something magical.

All it takes is a single fold, to unfold a million possibilities. When companies undergo a digital transformation, something similar happens.

A simple embrace of better technology can lead to myriad magical things.

Customer experiences are reimagined.  
Operational excellence is recalibrated.  
Business models are reinvented.

A single turn towards digital transformation,  
can lead to the path of greatness.

And Ramco is helping companies navigate this critical turn.

That's because we believe that a million possibilities,  
lie beyond just one deft movement.



# Board's Report

Dear Members,

Your Board of Directors ("the Board") are pleased to present the Twenty Third Board's Report 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, 2020.

## SUMMARY OF PERFORMANCE

In the financial year (FY) 2019-20, your Company continued its growth momentum, with a consolidated turnover of Rs. 5,689.16 Mln. during the FY 2019-20, as against previous year turnover of Rs. 5,421.30 Mln. recording a growth of 5% over the previous year. Amongst the Business Units, ERP registered a growth of 15%. Amongst the geographies, India recorded a growth of 28%. The Consolidated Profit after tax for the FY 2019-20 was Rs. 101.74 Mln. as against Rs. 163.78 Mln. during the previous year.

The Standalone revenue was lower by 3.1% over the previous year and stood at Rs.3,058.48 Mln. in FY 2019-20.

The standalone Profit after tax for FY 2019-20 was at Rs. 248.91 Mln. as against Rs. 518.86 Mln. in the previous year.

The consolidated EPS stood at Rs. 3.32 and standalone stood at Rs. 8.13 for the year ended March 31, 2020.

## FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2020 and March 31, 2019 are as follows: Rs. Mln.

Particulars	For the year ended March 31			
	2020	2019	2020	2019
	Standalone		Consolidated	
Revenue from operations	3,058.48	3,156.94	5,689.16	5,421.30
<b>Total income</b>	<b>3,197.56</b>	<b>3,245.01</b>	<b>5,780.87</b>	<b>5,517.98</b>
Finance cost	107.56	41.03	122.05	42.03
Depreciation & Amortisation	606.08	494.48	664.65	510.88
<b>Total expense</b>	<b>2,584.70</b>	<b>2,509.63</b>	<b>5,445.78</b>	<b>5,094.70</b>
Profit before interest, tax & depreciation (EBITDA)	1,326.50	1,270.89	1,121.79	976.19
<b>Profit before tax</b>	<b>612.86</b>	<b>735.38</b>	<b>335.09</b>	<b>423.28</b>
Provision for tax	363.95	216.52	227.97	254.61
<b>Profit after tax attributable to owners of the parent</b>	<b>248.91</b>	<b>518.86</b>	<b>101.74</b>	<b>163.78</b>
Total comprehensive income attributable to owners of the parent	224.28	502.96	273.24	224.80

## BUSINESS ENVIRONMENT

The details of the business operations/Company performance appear in the following pages:

# BUSINESS OPERATIONS

Roaring ahead  
in business

