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ANNUAL REPORT 2007 - 2008

RAMCO SYSTEMS LIMITED

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

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

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Ramco Systems Limited, will be held on Monday, the 11th August, 2008, at 11.45 a.m at P.A.C. Ramasamy Raja Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam - 626 108 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and the 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 P.R. Ramasubrahmaneya Rajha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Shri M.M. Venkatachalam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. CNGSN & Associates, Chartered Accountants, Chennai, as the Statutory Auditors of the Company, who retire at the conclusion of this Annual General Meeting, to hold office until the conclusion of the next Annual General Meeting, on a remuneration of Rs.7,50,000/- (Rupees seven lakhs and fifty thousands only) exclusive of Service Tax and Out of Pocket Expenses.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT subject to the provisions of the Companies Act, 1956, Shri A.V. Dharmakrishnan, be and is hereby appointed as a director of the Company.

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

Place: Chennai
Date : 23rd June, 2008

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. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. Additional information in respect of the directors seeking re-election as required to be disclosed under the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.
3. The Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956, in respect of item No.5 is also annexed hereto.
4. Members are requested to intimate any change in address or bank mandates to their depository participant with whom they are maintaining their demat accounts for shares held in electronic mode or to the Registrar and Share Transfer Agents of the Company, if the shares are held in physical form.
5. The Registrar of Members of the Company would remain closed on Monday, the 11th August, 2008, for the purpose of compliance with Clause 16 of the Listing Agreement.
6. Members / Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting. The Corporate Members are requested to bring a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting of the Company.

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

Place: Chennai
Date : 23rd June, 2008

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

ANNEXURE TO THE NOTICE

A. 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 P.R. Ramasubrahmaneya Rajha and Shri M. M. Venkatachalam, Directors, are retiring by rotation and are seeking re-election at the ensuing Annual General Meeting.

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

Shri P.R. Ramasubrahmaneya Rajha

Shri P.R. Ramasubrahmaneya Rajha, aged 73 years, is the Chairman of the Board of Directors of the Company. He is the son of late Shri P.A.C. Ramasamy Raja, founder of Ramco Group of Industries. He is a leading industrialist, heading the Ramco Group of Industries. The Ramco Group has interests in the businesses of Cotton Yarn, Cement, Fibre Cement Products, Software and Bio Technology. As a mentor of the Group, he has been instrumental in raising the Group to become one of India's most respected Industrial Groups, achieving international recognition for its quality products and services. He is the father of Shri P.R. Venketrama Raja, Vice Chairman, Managing Director & CEO of the Company.

Shri P.R. Ramasubrahmaneya Rajha has been on the Board of the Company since inception. He is the Chairman of the Shareholders Committee and is a member of the Compensation Committee of the Board of Directors of the Company. He is on the Board of the following other Companies:

Sl. No.	Name of the Company	Nature of Interest
1	Madras Cements Limited	Chairman and Managing Director
2	Rajapalayam Mills Limited	Chairman
3	Ramco Industries Limited	Chairman
4	The Ramaraju Surgical Cotton Mills Limited	Chairman
5	Thanjavur Spinning Mill limited	Chairman
6	Sri Vishnu Shankar Mill Limited	Chairman
7	Sandhya Spinning Mill Limited	Chairman
8	Sudharsanam Investments Limited	Chairman
9	Madras Chipboard Limited	Chairman
10	Sri Harini Textiles Limited	Chairman
11	Sri Sandhya Farms (India) Private Limited	Director
12	Sri Saradha Deepa Farms Private Limited	Director
13	Ramamandiram Agricultural Estate Private Limited	Director
14	Nalina Agricultural Farms Private Limited	Director
15	Ramco Systems Corporation, USA	Director
16	Sri Ramco Lanka (Private) Limited, Sri Lanka	Director
17	RCDC Securities and Investments Private Limited	Director
18	Nirmala Shankar Farms and Estates Private Limited	Director
19	Sri Nithyalakshmi Farms Private Limited	Director
20	Ram Sandhya Farms Private Limited	Director
21	Rajapalayam Spinners Private Limited	Director

Shri M.M. Venkatachalam

Shri M.M. Venkatachalam, aged 50 years, is an Independent Director of the Company. He was awarded graduate degree in Agricultural Sciences in Bangalore in 1980 and a Masters in Business Administration from the George Washington University, USA in 1985. Shri M.M. Venkatachalam is the son of Late Mr. M.M. Muthiah of Murugappa Group of Companies. He was the Vice Chairman of the Planter's Association of Tamil Nadu and the past president of the Employer's Federation of Southern India. He is on the Board of the Company since April 2001.

He is the Chairman of the Audit Committee of Board of Directors of the Company. He is a member of Compensation Committee, Remuneration Committee and Allotment Committee of the Board of Directors of the Company. The details of his other directorships are as follows:

Sl. No	Name of the Company	Nature of Interest
1	Parry Agro Industries Limited	Chairman
2	Parry Enterprises India Limited	Chairman
3	USV Limited	Director
4	Cholamandalam Factoring Limited	Director
5	Pollutech Limited	Director
6	DBS Cholamandalam Distribution Limited	Director
7	Apex Abstracting and Editing Services Limited	Director
8	Parry Murray and Co. Limited, UK	Director
9	Ambadi Enterprises Limited	Director
10	Coromandel Fertilisers Limited	Director
11	Laserwords Private Limited	Director
12	M M Muthiah Sons Private Limited	Director
13	New Ambadi Estates Private Limited	Director
14	Nimita Solutions Private Limited	Director
15	Parry Murray and Company Furnishings & Floor Coverings (India) Private Limited	Director
16	Cholamandalam Securities Limited	Director

B. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 5:

Shri A.V. Dharmakrishnan was co-opted as an additional director of the Company by the Board of Directors in its meeting held on 31st January, 2008, pursuant to provisions of Section 260 of the Companies Act, 1956. In terms of the provisions of the said section, Shri A.V. Dharmakrishnan holds the office of the director until the date of the ensuing Annual General Meeting.

The Company has received a notice from a member pursuant to provisions of Section 257 of the Companies Act, 1956, along with the requisite deposit, proposing the appointment of Shri A.V. Dharmakrishnan, as a director of the Company.

Shri A.V. Dharmakrishnan, aged 51 years, is a member of Institute of Chartered Accountants of India. He is currently the Executive Director - Finance of M/s. Madras Cements Limited and has been associated with the Ramco Group for 26 years since May 1982. Shri A.V. Dharmakrishnan is also a director on the Board of M/s. Rajapalayam Mills Limited and M/s. Ontime Transport Company Limited. Shri A.V. Dharmakrishnan holds 2484 equity shares in the Company.

The Board of Directors recommends as an ordinary resolution, the appointment of Shri A.V. Dharmakrishnan as a director of the Company.

Interest of Directors:

None of the directors, except Shri A.V. Dharmakrishnan, is concerned or interested in the resolution.

By Order of the Board
For RAMCO SYSTEMS LIMITED

Place: Chennai
Date : 23rd June, 2008

P.R. RAMASUBRAHMANEYA RAJHA
CHAIRMAN

**RAMCO SYSTEMS LIMITED**

REGISTERED OFFICE: 47 P.S.K. NAGAR, RAJAPALAYAM - 626 108
 ramco CORPORATE OFFICE : 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113

DP. ID No.	
Client ID No.	
Folio No.	
No. of Shares	

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 Eleventh Annual General Meeting held on Monday, the 11th August, 2008, at 11.45 a.m.

at PACR Centenary Community Hall, Sudharsan Gardens, PAC Ramasamy Raja Salai, Rajapalayam - 626 108.

Member's / Proxy's Signature

**RAMCO SYSTEMS LIMITED**

REGISTERED OFFICE: 47 P.S.K. NAGAR, RAJAPALAYAM - 626 108
 ramco CORPORATE OFFICE : 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113

DP. ID No.	
Client ID No.	
Folio No.	
No. of Shares	

PROXY FORM

I/We.....Son / Wife / Daughter of.....
 residing at.....
 being a member / members of Ramco Systems Limited do hereby appoint Shri / Smt.....
 Son / Wife / Daughter of.....residing at.....
 failing him / her, Shri / Smt.....Son / Wife / Daughter of.....
 residing at.....
 as my / our proxy to vote for me /us on my / our behalf at the Eleventh Annual General Meeting of the Company to be held on Monday, the 11th August, 2008 , at 11.45 a.m. and at any adjournment thereof.

Affix
 Re1/-
 Revenue
 Stamp

Member's Signature

Signed thisday of2008.

Note: A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company. The instrument appointing a Proxy must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



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LETTER TO SHAREHOLDERS



P.R. Ramasubrahmaneya Rajha



P.R. Venketrama Raja

Dear Shareholders,

We are happy to share with you the technology advancements and business progress your company has achieved during the financial year 2007-08.

Ramco's continued investments in Ramco VirtualWorks (RVW) has enabled the company to go beyond conventional offerings and become an active partner who supports complex business transformation exercises with ease and enables continuous value creation for its customers. With the enhanced scope and capabilities of the solution platform, Ramco VirtualWorks today is more than just a business process platform. It now includes business analytics and a rich business component repository.

The strategic initiatives conceived and nurtured during the earlier fiscal ('06-'07) blossomed into the pioneering launch of Ramco OnDemand ERP – India's first comprehensive ERP delivered as a service (Software-as-a-Service) in January 2008. The offering addresses the ERP needs of growing businesses across multiple verticals and is sold and served through an ecosystem of sales and implementation partners. Buoyed by the excellent pan-India success, the company is planning to launch this service in the international markets very soon.

Ramco has been stressing the need for flexible business processes and focused analytics for businesses to be competitive and continue adding value to their customers. These efforts got a significant shot in the arm when one of the world's top thinkers – Mr. C K Prahalad wrote about Ramco's co-creation successes in the book 'The New Age of Innovation'. The book, co-authored by Mr. M S Krishnan, highlights the need for companies to relook at current ways of value creation and gear up to co-create and innovate if they have to survive and grow.

Ramco's value-added business process outsourcing business has started on a bright note with order wins from two large corporations. Ramco focuses on providing differentiated payroll process outsourcing that leverages Ramco's proprietary offerings. Currently, Ramco processes close to 1000 payrolls every day and this is expected to rise exponentially in the coming months.

Currently, there are over 200 projects that are being delivered using Ramco VirtualWorks. Many of these projects are already live and customers are realizing the tangible benefits of trusting and investing in Ramco's innovative approach to building and delivering next generation business applications. Several customers have reposed their faith in our solutions and repeat orders stand testimony to it.

Today, your company has scaled-up and offers solutions across the entire IT value chain that includes consulting, enterprise solutions and process outsourcing services. Depending on the customer needs and market maturity, Ramco adopts a customer / geography specific strategy and positions the optimum offering mix to address business opportunities.

Your company has won many strategic orders from across the world in Aviation, Logistics, eGovernance, Banking, Insurance and Manufacturing. These projects are long term engagements and would bring in predictable and sustainable revenues over the medium term.

The company consolidated its position as one of world's leading provider of Aviation MRO solutions and further expanded its scope to address the Aerospace, Defence and Transportation sector.

Business partnerships are the best way forward to leverage the emerging market opportunities and during the year, Ramco has invested in a few such important partnerships including the partnership with National Life, Oman to offer Insurance solutions in the middle-east and the DSPP partnership with HP that focuses on the public sector in Singapore. The aviation solutions group has recorded success in the partnerships with Sabre Airline Solutions and IBM.

During the year, your company successfully ventured into emerging verticals such as Infrastructure development, Retail, Education and 3rd party logistics with notable order wins.

On the quality and process front, the company has rolled-out multiple programs and training targeted at improving efficiency and strengthening leadership within the organization.

During this period, the company achieved USD 50.66 million in global revenues across all its business lines and international subsidiaries.

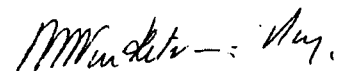
With a customer-centric portfolio of offerings, backed by a powerful technology and world-class talent, Ramco is confident of growing aggressively in the coming years.

Warm regards,



P.R. Ramasubrahmaney Rajha

Chairman



P.R. Venketrama Raja

Vice Chairman, Managing Director and CEO

Ramco empowers its customers to Co-create business value, Innovate and stay ahead, enabled by its powerful technology and portfolio of cutting-edge products and services



CO-CREATING VALUE

Globalization, rapidly changing customer preferences and quest for growth are some of the key drivers that are forcing businesses to rethink the way they create value – be it for their customers or for themselves. Ramco, true to its nature of being ahead of the curve, is quick to understand the changing dynamics and has invested in cutting edge technology that places the company in a position of strength to address emerging opportunities. The time has come for businesses to enable greater involvement of the value recipient (such as customer, partner, etc.) for whom value is created. This phenomenon is termed ‘Co-creation’.

Businesses are forced to co-create and innovate to stay ahead and grow, and we at Ramco believe ‘Innovation is not an option’. In order to stay competitive, businesses are forced to collaborate and access resources from multiple sources and not just from within the firm and its subsidiaries. Co-creation demands immense business process flexibility and focused analytics – the essence of Ramco VirtualWorks (a collaborative solution innovation platform).

CO-CREATING VALUE FOR CUSTOMERS

To take a leaf out of Prof. C K Prahalad’s book – ‘The New Age of Innovation’, businesses are moving away from creating value for undifferentiated consumers to a world where every customer experience is unique and value is determined by one consumer co-created experience at a time. The ability to change business processes rapidly and provide business insights through robust analytics helps companies work collaboratively with their customers and create enduring value for them.

Examples of value co-creation enabled by Ramco include ITC eChoupal, DLF, National Life, FieldFresh, eThekwini and many more.

CO-CREATING VALUE FOR PARTNERS / BUSINESS ASSOCIATES

Partners and business associates are an integral part of the company and play a vital role in creating value for Ramco’s customers worldwide. We are a global company operating out of 18 offices in 9 countries and our partners form a critical aspect of our business ecosystem.

Ramco works closely with its partners and co-creates value through customized training, skill transfers and dedicated channels for certain business offerings in specific markets.

Ramco OnDemand ERP, Ramco’s pioneering initiative in offering Software-as-a-Service, is marketed and implemented through an ecosystem of partners and business associates. The offering enables enormous value creation for all stakeholders in the business of which the partners play the most important role.

CO-CREATING VALUE FOR EMPLOYEES

Employees are the real assets of any company and more so for an IP centric company such as Ramco. Throughout the year, several initiatives have been undertaken with the sole aim of enriching the work life of all employees.

The company believes in being sensitive to every employee needs and aspirations and strives to co-create a career path that enables value creation, both for the employee and for the organization.

During the year, Ramco introduced and implemented an assessment centre framework and approach to evaluate managerial and behavioral competencies. These assessment centres comprise a variety of tasks designed to evaluate specific competencies. The chosen employees were given individualized feedback with a clear picture of their strengths and work potential. This has helped in building leadership skills and competencies, in line with the long-term strategy of the company.

To foster team-building, Ramco has introduced the concept of “Out Bound Training” to various teams of Ramco on the basis of their unique and differing needs. Conducted away from work place, in a natural environment, the training has enhanced interpersonal relationships within and across teams and fostered a culture of ‘result-orientation and problem-solving’.

As part of our continuous effort to strengthen leadership, identified senior employees were put through various 360 degree psychometric assessment tools and provided feedback along with their development plans.