NOTES TO SEPARATE (STANDALONE) FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

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 25, 2021.

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.

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 stand-alone 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 Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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. 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 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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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. 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.

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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 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.

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.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

l. 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 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 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.

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

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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 (i.e.,) previous GAAP carrying amount 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	Names of financial assets
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

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.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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.

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 instalment 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. There are no such notifications which would be applicable from April 01, 2021 to the Company.

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013, which deals with the presentation of financial statements. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. The Company will evaluate the same to give effect to them as required by law.

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 effects 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. Accordingly, the management has applied the following estimates / assumptions / judgment in preparation and presentation of financial statements:

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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 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, 2021 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

Rs. Mln.

Particulars	Building	Laptops and Desktops	Servers and Networks	Furniture and fixtures	Office Equipments	Electrical Items	Vehicles	Total
Gross Carrying value								
As at April 01, 2019	**3.12**	**147.21**	**145.00**	**23.95**	**59.60**	**15.51**	**35.23**	**429.62**
Additions	-	26.83	30.62	2.13	4.74	0.02	3.35	67.69
Disposals	-	(21.76)	(26.52)	(0.01)	(0.03)	(0.28)	(2.57)	(51.17)
Exchange difference	-	-	-	0.01	0.06	0.02	-	0.09
As at March 31, 2020	**3.12**	**152.28**	**149.10**	**26.08**	**64.37**	**15.27**	**36.01**	**446.23**
Additions	-	43.89	11.97	0.07	1.32	0.10	6.00	63.35
Disposals	-	(0.05)	-	-	-	(0.10)	(4.44)	(4.59)
Exchange difference	-	0.01	-	-	-	-	-	0.01
As at March 31, 2021	**3.12**	**196.13**	**161.07**	**26.15**	**65.69**	**15.27**	**37.57**	**505.00**
Depreciation								
As at April 01, 2019	**1.89**	**109.49**	**73.65**	**10.96**	**39.71**	**8.84**	**17.17**	**261.71**
For the year	0.05	25.50	22.27	2.21	8.64	1.25	4.13	64.05
Disposals	-	(21.76)	(26.52)	-	(0.01)	(0.05)	(0.84)	(49.18)
Exchange difference	-	(0.01)	0.01	0.01	0.06	0.02	-	0.09
As at March 31, 2020	**1.94**	**113.22**	**69.41**	**13.18**	**48.40**	**10.06**	**20.46**	**276.67**
For the year	0.05	28.94	21.93	2.31	6.67	1.08	3.71	64.69
Disposals	-	(0.05)	-	-	-	(0.05)	(2.76)	(2.86)
Exchange difference	-	0.03	-	(0.01)	(0.02)	-	-	-
As at March 31, 2021	**1.99**	**142.14**	**91.34**	**15.48**	**55.05**	**11.09**	**21.41**	**338.50**
Carrying value								
As at March 31, 2020	**1.18**	**39.06**	**79.69**	**12.90**	**15.97**	**5.21**	**15.55**	**169.56**
As at March 31, 2021	**1.13**	**53.99**	**69.73**	**10.67**	**10.64**	**4.18**	**16.16**	**166.50**

6. RIGHT-OF-USE ASSETS

Rs. Mln.

Particulars	Building	Land	Office Equipments	Total
Gross Carrying value				
As at April 01, 2019	**626.82**	**19.04**	**2.43**	**648.29**
Additions	5.62	-	-	5.62
Disposals	-	-	-	-
Exchange difference	0.54	-	-	0.54
As at March 31, 2020	**632.98**	**19.04**	**2.43**	**654.45**
Additions	1.75	-	1.59	3.34
Disposals	(11.46)	-	-	(11.46)
Exchange difference	0.01	-	-	0.01
As at March 31, 2021	**623.28**	**19.04**	**4.02**	**646.34**
Depreciation				
As at April 01, 2019	-	-	-	-
For the year	78.97	4.77	1.62	85.36
Disposals	-	-	-	-
Exchange difference	0.19	-	-	0.19
As at March 31, 2020	**79.16**	**4.77**	**1.62**	**85.55**
For the year	76.57	4.76	1.68	83.01
Disposals	(6.44)	-	-	(6.44)

6. Right-of-use assets (Contd.)

Rs. Mln.

Particulars	Building	Land	Office Equipments	Total
Exchange difference	-	-	-	-
As at March 31, 2021	**149.29**	**9.53**	**3.30**	**162.12**
Carrying value				
As at March 31, 2020	**553.82**	**14.27**	**0.81**	**568.90**
As at March 31, 2021	**473.99**	**9.51**	**0.72**	**484.22**

7. INTANGIBLE ASSETS

Rs. Mln.

Particulars	Technology Platform	Product Software	Patents	Computer Software	Total
Gross Carrying value					
As at April 01, 2019	**1,595.09**	**4,209.88**	**14.23**	**185.88**	**6,005.08**
Additions	94.85	379.52	-	33.72	508.09
Deletions	-	-	-	(39.08)	(39.08)
As at March 31, 2020	**1,689.94**	**4,589.40**	**14.23**	**180.52**	**6,474.09**
Additions	103.23	494.06	-	25.64	622.93
Deletions	-	-	-	-	-
As at March 31, 2021	**1,793.17**	**5,083.46**	**14.23**	**206.16**	**7,097.02**
Amortization					
As at April 01, 2019	**979.31**	**2,446.19**	**10.56**	**136.17**	**3,572.23**
For the year	108.31	318.94	1.27	28.15	456.67
Impairment loss	-	-	-	(39.08)	(39.08)
As at March 31, 2020	**1,087.62**	**2,765.13**	**11.83**	**125.24**	**3,989.82**
For the year	112.28	339.46	0.65	29.43	481.82
Impairment loss	-	-	-	-	-
As at March 31, 2021	**1,199.90**	**3,104.59**	**12.48**	**154.67**	**4,471.64**
Carrying value					
As at March 31, 2020	**602.32**	**1,824.27**	**2.40**	**55.28**	**2,484.27**
As at March 31, 2021	**593.27**	**1,978.87**	**1.75**	**51.49**	**2,625.38**

a) Financials of research and development activities (R&D), based on separate books of accounts maintained are separately enclosed.

b) For the details of security to borrowings, refer note no.14.1.

8. INVESTMENT IN SUBSIDIARIES

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Equity investments in subsidiaries measured at deemed 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, 2020 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, 2020 1,400,000 Shares CHF 1 each)	**441.70**	441.70

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

8. Investment in subsidiaries (Contd.)

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
31,135,000 Shares in Ramco Systems Pte. Ltd., Singapore of face value of SGD 1 each (as at March 31, 2020 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, 2020 1,280,000 Shares @ RM 1 each)	**18.22**	18.22
19,350,100 Shares in RSL Enterprise Solutions (Pty) Ltd., South Africa of face value of ZAR 1 each (as at March 31, 2020 19,350,100 Shares @ ZAR 1 each)	**99.02**	99.02
50 Shares in Ramco Systems FZ-LLC, Dubai of AED 1000 each (as at March 31, 2020 50 Shares @ AED 1000 each)	**0.62**	0.62
16,393,000 Shares in Ramco Systems Australia Pty Ltd., Australia, of AUD 1 each (as at March 31, 2020 16,393,000 Shares @ AUD 1 each)	**795.24**	795.24
100,000 Shares in R S L Software Co. Ltd., Sudan, of SDG 1 each (as at March 31, 2020 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, 2020 11,750,000 Shares @ PHP 1 each)	**17.44**	17.44
1,000,000 Shares in Ramco Systems (Shanghai) Co. Ltd., Shanghai, of face value of CNY 1 each (as at March 31, 2020 1,000,000 Shares @ CNY 1 each)	**10.41**	10.41
5,625,000 Shares in Ramco System Vietnam Company Limited, Vietnam of face value of VND 1000 each (as at March 31, 2020 5,625,000 Shares @ VND 1000 each)	**16.44**	16.44
3,375,000 Shares in PT Ramco Systems Indonesia, Indonesia, of face value of IDR 1000 each (as at March 31, 2020 3,375,000 Shares @ IDR 1000 each)	**16.28**	16.28
Aggregate value of unquoted investments	**3,672.60**	**3,672.60**
Aggregate amount of impairment in value of investments	**-**	**-**

Note:

a. The Company has opted to use previous GAAP carrying amount as 'Deemed cost' for the investments in subsidiaries.

b. Ramco Software Japan Limited has been established in Japan as a Wholly Owned Subsidiary (WOS) of the Company on April 01, 2021. However, as per the local regulations in Japan, the share capital of JPY 9.50 Mln. Rs. 6.42 Mln. was remitted on March 25, 2021 in advance, before incorporation. This amount has been disclosed as advance for issue of shares under note no. 9.4.

9. FINANCIAL ASSETS

9.1 Loans

Current		
Unsecured, considered good		
Loans receivables - subsidiaries	**848.65**	1,048.68

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. (previous year 8.75% p.a) and are repayable on demand.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

9.2 Equity investment in other entities at cost, long term, trade, unquoted (designated at FVTOCI)

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
2,335 Shares in SmartMegh Solutions Private Limited, India of face value of Rs.10 each (as at March 31, 2020 2,335 Shares @ Rs.10 each)	**15.00**	15.00
Aggregate value of unquoted investment	**15.00**	**15.00**
Aggregate amount of impairment in value of investment	**-**	-

9.3 Trade receivables

Non-current		
Unsecured, considered good		
Trade receivables - other than related parties	**-**	5.40
Unsecured, considered doubtful		
Trade receivables - other than related parties	**29.98**	56.73
	29.98	**62.13**
Less: Allowance for impairment loss	**29.98**	56.73
	-	**5.40**
Current		
Unsecured, considered good		
Trade receivables - subsidiaries (refer note no.26)	**692.03**	954.62
Trade receivables - other related parties	**-**	0.94
Trade receivables - other than related parties	**495.72**	406.81
	1,187.75	**1,362.37**
Less: Allowance for impairment loss	**12.36**	7.08
	1,175.39	**1,355.29**

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.

Trade receivables - other than related parties are non-interest bearing and are normally on terms of 30 to 90 days, except the contracts which are entered with deferred credit terms.

For details, terms and conditions relating to related parties, refer note no.26.

9.4 Other financial assets

Non-current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	**286.22**	52.65
Unbilled royalty revenue - subsidiaries (refer note no.26)	**79.80**	63.19
Security deposit	**16.64**	19.52
Employee advances	**0.24**	0.52
Advance for issue of shares (refer note no.8)	**6.42**	-
Unsecured, considered doubtful		
Unbilled license revenue - other than related parties	**19.18**	33.12
	408.50	**169.00**
Less: Allowance for impairment loss	**19.26**	33.12
	389.24	**135.88**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

9.4 Other financial assets (Contd.)

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Current		
Unsecured, considered good		
Unbilled license revenue - other than related parties	**115.17**	139.49
Unbilled royalty revenue - subsidiaries (refer note no.26)	**111.86**	67.42
Security deposit	**4.59**	3.71
Insurance claims receivable	**8.00**	18.20
Employee advances	**4.77**	17.73
Foreign currency forward contract	**-**	4.93
Bank deposits held as margin money	**3.07**	2.98
Balance with Banks in share issue accounts	**0.09**	0.09
	247.55	**254.55**
Less: Allowance for impairment loss	**6.65**	3.33
	240.90	**251.22**

9.5 Cash and cash equivalents

Cash on hand	**0.26**	0.26
Balances with Banks in Current Account	**23.10**	30.58
	23.36	**30.84**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

10. TAXES

(a) Deferred tax (asset) / liability

Rs. Mln.

Nature of (asset) / liability	Balance sheet as at		Statement of profit and loss & OCI	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act,1961	**734.44**	699.74	**34.70**	(135.11)
Tax impact on unutilized carry forward losses	**(295.86)**	(512.21)	**216.35**	169.25
Tax effect of provision for gratuity	**(4.42)**	(4.53)	**0.11**	3.25
Tax effect of provision for compensated absences	**(19.65)**	(18.00)	**(1.65)**	2.60
Tax effect of provision for bad and doubtful debts / advances	**(39.20)**	(46.19)	**6.99**	6.15
Tax impact on all other items	**(8.43)**	(4.00)	**(4.43)**	(1.94)
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	**8.00**	6.63	**1.37**	0.43
Deferred tax (asset) / liability (net)	**374.88**	**121.44**		
Deferred tax (income) / expense (net)			**253.44**	**44.63**

10. Taxes (Contd.)

(b) Reconciliation of deferred tax (asset) / liability (including MAT credit)

Rs. Mln.

Particulars		Balance sheet as at	
		March 31, 2021	March 31, 2020
i)	**Deferred tax (asset) / liability**		
	Opening balance	**121.44**	76.81
	Deferred tax (income) / expense during the year recognized in Statement of Profit and Loss	**252.07**	44.20
	Deferred tax (income) / expense during the year recognized in OCI	**1.37**	0.43
	Closing balance	**374.88**	**121.44**
ii)	**MAT credit**		
	Opening balance	**(550.55)**	(451.12)
	MAT credit for the current / previous year(s)	**(133.06)**	(99.43)
	Closing balance	**(683.61)**	**(550.55)**
iii)	**Provision for MAT credit ***		
	Opening balance	**319.75**	-
	Provision for FY 2017-18 & FY 2018-19	**-**	239.71
	Provision for the current / previous year(s)	**118.05**	80.04
	Closing balance	**437.80**	**319.75**
	Total deferred tax (asset) / liability (i + ii + iii)	**129.07**	**(109.36)**

* 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. The Company had filed a Writ petition challenging the said proviso in the Honorable High Court of Madras. The Company will continue to make provision for such MAT credit availed, until disposal of the case.

(c) Components of tax expenses

Rs. Mln.

Particulars		For the year ended	
		March 31, 2021	March 31, 2020
i)	**Statement of profit and loss**		
	Current tax		
	Current Income Tax charge (including MAT)	**133.06**	99.43
	Deferred tax		
	Relating to the origination and reversal of temporary differences	**252.07**	44.20
	MAT credit for the current / previous year(s)	**(133.06)**	(99.43)
	Provision for MAT credit (refer note no.10(b)(iii) above)	**118.05**	319.75
	Total tax (income) / expenses reported in statement of profit and loss	**370.12**	**363.95**
ii)	**Other comprehensive income (OCI)**		
	Deferred tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	**1.37**	0.43
	Total tax (income) / expense (net)	**1.37**	**0.43**
iii)	**Total tax (income) / expense reported in the total comprehensive income**	**371.49**	**364.38**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

10. Taxes (Contd.)

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income Tax rate to the income before taxes is summarised below:

Particulars	For the year ended March 31, 2021 Rs. Mln.	For the year ended March 31, 2020 Rs. Mln.
Accounting profit before tax	**812.37**	612.86
Less: Adjustment from carry forward losses	**812.37**	612.86
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	**141.94**	107.08
Tax adjustments of earlier years	**0.43**	(2.64)
Non-dedcutible expenses	**18.60**	2.42
Additional allowances / deductions for tax purposes	**(27.91)**	(7.43)
	133.06	**99.43**
Deferred tax income / (expense) recognition during the year	**252.07**	44.20
MAT credit for the current / previous year(s)	**(133.06)**	(99.43)
Provision for MAT credit (refer note no.10(b)(iii) above)	**118.05**	319.75
Tax (income) / expense reported in the statement of profit and loss	**370.12**	**363.95**
Tax (income) / expense reported in the other comprehensive income	**1.37**	**0.43**

11. OTHER ASSETS

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Non-current		
Unsecured, considered good		
Prepaid expenses	**0.25**	0.45
Advance to suppliers and service providers #	**33.10**	68.00
Unbilled services revenue	**2.89**	-
Unsecured, considered doubtful		
Unbilled services revenue	**30.38**	54.47
	66.62	**122.92**
Less: Allowance for impairment loss	**60.38**	54.47
	6.24	**68.45**
Current		
Unsecured, considered good		
Prepaid expenses	**40.31**	43.39
Advance to suppliers and service providers *#	**66.13**	25.33
Unbilled services revenue	**345.89**	314.77
Statutory advances	**30.24**	44.91
	482.57	**428.40**
Less: Allowance for impairment loss	**5.97**	3.88
	476.60	**424.52**

* Includes prepayment to Gratuity fund Rs.13.07 Mln., (previous year Rs.14.45 Mln.) (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.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

12. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Authorised share capital		
50,000,000 (as at March 31, 2020 - 50,000,000) Equity Shares of Rs.10 each	**500.00**	500.00
Issued and subscribed capital		
31,063,260 (as at March 31, 2020 - 30,952,359) Equity Shares of Rs.10 each	**310.63**	309.52
Paid-up capital		
30,714,082 (as at March 31, 2020 - 30,603,181) Equity Shares of Rs.10 each (includes value of forfeited shares of Rs.353,890 (previous year Rs.353,890) for 349,178 shares)	**307.49**	306.39
	307.49	**306.39**

12.1 The reconciliation of share capital

Particulars	FY 2020-21		FY 2019-20	
	No. of shares	Rs. Mln.	No. of shares	Rs. Mln.
At the beginning of the year	**30,603,181**	**306.39**	30,592,822	306.28
Addition during the year under employee stock option schemes	**110,901**	**1.10**	10,359	0.11
At the end of the year	**30,714,082**	**307.49**	**30,603,181**	**306.39**

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 Share Holder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
P R Venketrama Raja	**3,353,366**	**10.92**	3,353,366	10.96
Ramco Industries Limited	**5,467,376**	**17.80**	5,467,376	17.87
The Ramco Cements Limited	**5,417,810**	**17.64**	5,417,810	17.70
HDFC Trustee Company Limited - HDFC Equity Fund & A/C HDFC Balanced Advantage Fund	**2,453,360**	**7.99**	2,247,400	7.34
Reliance Capital Trustee Company Limited - A/C Nippon India Small Cap Fund A/C Nippon India Retirement Fund - Wealth Creation Scheme	**NA**	**NA**	1,704,031	5.57

12.4 Other details

Number of non-resident shareholders	**567**	343
Number of shares held by the non-resident shareholders	**530,524**	663,484
Dividend remitted in foreign currency	**Nil**	Nil

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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, and the summary of pending is provided below:

Name of Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2021		As at March 31, 2020	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2008	51	**30,883**	**1.58**	31,303	1.60
	119	**10,492**	**1.25**	11,807	1.41
	83	**431**	**0.04**	11,807	0.98
	230	**16,785**	**3.86**	26,228	6.03
	194	**17,835**	**3.46**	17,835	3.46
ESOS 2009 - Plan A	90	**16,415**	**1.48**	19,018	1.71
	110	**9,440**	**1.04**	9,440	1.04
	356	**78,625**	**27.99**	85,125	30.30
ESOS 2009 - Plan B	90	**44,137**	**3.97**	49,894	4.49
	10	**22,375**	**0.22**	29,308	0.29
	356	**59,593**	**21.22**	73,967	26.33
ESOS 2013	356	**56,597**	**20.15**	61,222	21.80
	155	**186,899**	**28.97**	224,354	34.77
	10	**9,309**	**0.09**	10,245	0.10
	482	**32,125**	**15.48**	32,125	15.48
	250	**10,000**	**2.50**	10,000	2.50
	426	**2,500**	**1.07**	2,500	1.07
	462	**5,000**	**2.31**	5,000	2.31
	348	**3,500**	**1.22**	3,500	1.22
	696	**3,500**	**2.44**	3,500	2.44
	340	**18,000**	**6.12**	18,000	6.12
	679	**17,500**	**11.88**	17,500	11.88
	307	**2,250**	**0.69**	12,874	3.95
	613	**6,875**	**4.21**	13,125	8.05
ESOS 2014	1066	**11,250**	**11.99**	11,250	11.99
	533	**12,500**	**6.66**	12,500	6.66
	399	**5,000**	**2.00**	5,000	2.00
	797	**2,500**	**1.99**	2,500	1.99
	345	**5,000**	**1.73**	5,000	1.73
	690	**2,500**	**1.73**	2,500	1.73
	10	**64,051**	**0.64**	53,950	0.54
	222	**-**	**-**	1,124	0.25
	257	**-**	**-**	748	0.19
	351	**4,000**	**1.40**	4,000	1.40
	377	**6,775**	**2.55**	10,575	3.99
	443	**1,250**	**0.54**	1,250	0.55
	513	**1,250**	**0.64**	1,250	0.64
	701	**2,000**	**1.40**	2,000	1.40
	753	**5,250**	**3.95**	6,000	4.52
	184	**5,000**	**0.92**	5,000	0.92
	193	**10,000**	**1.93**	10,000	1.93
	214	**2,500**	**0.54**	7,500	1.61
	228	**17,500**	**3.99**	17,500	3.99

Notes to Standalone Financial Statements for the year ended March 31, 2021 (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 Stock Option Scheme	Exercise Price (Rs.)	As at March 31, 2021		As at March 31, 2020	
		Outstanding Nos.	Value Rs. Mln.	Outstanding Nos.	Value Rs. Mln.
ESOS 2014	277	**9,498**	**2.63**	12,500	3.46
	367	**2,500**	**0.92**	2,500	0.92
	385	**5,000**	**1.93**	5,000	1.93
	427	**1,250**	**0.53**	3,750	1.60
	455	**8,750**	**3.98**	8,750	3.98
	553	**6,250**	**3.46**	6,250	3.46
	163	**15,000**	**2.44**	17,375	2.83
	186	**15,000**	**2.79**	20,000	3.72
	326	**7,500**	**2.45**	8,688	2.83
	372	**7,500**	**2.79**	10,000	3.72
	80	**-**	**-**	12,500	1.00
	160	**-**	**-**	6,250	1.01
	181	**5,000**	**0.90**	-	-
	361	**2,500**	**0.90**	-	-
	290	**5,000**	**1.45**	-	-
	580	**2,500**	**1.46**	-	-
Total		**912,640**	**236.47**	**1,052,887**	**267.80**

Further details of the above Schemes can be obtained from ANNEXURE II to the Board's Report

13. OTHER EQUITY

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Securities premium	**6,633.66**	6,585.58
Currency translation reserve	**(30.30)**	(34.76)
Employee stock options outstanding	**240.05**	274.12
Retained earnings	**1,613.30**	1,167.74
	8,456.71	**7,992.68**

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.

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.

Employee stock options outstanding

The share options outstanding account is used to recognize the grant date fair value of 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.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

14. FINANCIAL LIABILITIES

14.1 Borrowings

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Non-current		
Term loans from Banks, secured		
Axis Bank Limited	**-**	**66.67**

This loan was secured by charge on all unencumbered fixed assets of the Company excluding building. Here, fixed assets denote the assets falling under property, plant and equipment. Term Loan borrowings carry interest rate linked to twelve months MCLR which stood at 8.10% p.a. as at March 31, 2020. The interest rate is reset on yearly basis. The term loan was repayable in equal half yearly instalments on various dates as per the grouped maturity profile given below:

Repayment due in	No. of installments	Rs. Mln.
FY 2020-21	2	33.33
FY 2021-22	2	33.33
FY 2022-23	2	33.34
	6	**100.00**
Less: transferred to current maturities of long term loans	2	33.33
Balance shown here	**4**	**66.67**

Of the above, Rs.33.33 Mln. being the current maturities of the long term loan, repayable in FY 2020-21 was shown under other current liabilities as on March 31, 2020 in note no.14.4. The entire loan of Rs.100.00 Mln. was prepaid during the year.

Current		
Loans repayable on demand from Banks, secured		
Axis Bank Limited - Cash credit	-	12.65
Loans from Banks, secured		
Axis Bank Limited	-	150.00
IDBI Bank Limited	-	100.00
Loans from Banks, unsecured		
Kotak Mahindra Bank Limited	-	349.38
HDFC Bank Limited	-	215.00
	-	**827.03**

1. **Security details**

   Loans from Axis Bank Limited are secured by pari passu first charge on the current assets, both present and future of the Company.

   Loans 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.

2. **Interest rate**

   Above loans from Banks were in the form of Packing Credit in Foreign Currency (PCFC), Working Capital Demand Loan (WCDL) and Cash Credit and carry interest ranging from 1.44% p.a. to 8.40% p.a.

14.2 Leases

The Company has adopted Ind AS 116 “Leases” with the date of initial application being April 01, 2019. The Company has applied Ind AS 116 using the modified retrospective approach effective April 01, 2019, and as a result, the comparative information for the earlier period has not been restated. 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.

14.2 Leases (Contd.)

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, 2021 are as follows:

Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2020	553.82	14.27	0.81	568.90
Additions during the year	1.75	-	1.59	3.34
Deletions during the year - net	(5.02)	-	-	(5.02)
Depreciation charge for the year	(76.57)	(4.76)	(1.68)	(83.01)
Foreign exchange	0.01	-	-	0.01
As at March 31, 2021	473.99	9.51	0.72	484.22

b) The changes in the carrying value of Right-of-use assets during the year ended March 31, 2020 are as follows:

Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2019	626.82	19.04	2.43	648.29
Additions during the year	5.62	-	-	5.62
Depreciation charge for the year	(78.97)	(4.77)	(1.62)	(85.36)
Foreign exchange	0.35	-	-	0.35
As at March 31, 2020	553.82	14.27	0.81	568.90

c) The movement in lease liabilities during the year ended March 31, 2021 are as follows:

Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2020	577.71	15.57	0.77	594.05
Additions during the year	1.75	-	1.59	3.34
Deletions during the year	(5.31)	-	-	(5.31)
Interest expense	49.33	1.23	0.04	50.60
Lease payments	(107.92)	(5.55)	(1.71)	(115.18)
Foreign exchange	0.02	-	-	0.02
As at March 31, 2021	515.58	11.25	0.69	527.52

d) The movement in lease liabilities during the year ended March 31, 2020 are as follows:

Rs. Mln.

Particulars	Building	Land	Office equipments	Total
As at April 01, 2019	626.32	19.04	2.43	647.79
Additions during the year	5.62	-	-	5.62
Interest expense	54.58	1.58	0.15	56.31
Lease payments	(109.12)	(5.05)	(1.81)	(115.98)
Foreign exchange	0.31	-	-	0.31
As at March 31, 2020	577.71	15.57	0.77	594.05

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

14.2 Leases (Contd.)

The break-up of current and non-current lease liabilities are as follows: Rs. Mln.

Particulars	As at March 31, 2021	As at March 31, 2020
Current	**67.98**	66.82
Non-current	**459.54**	527.23
	527.52	**594.05**

e) The following are the amounts recognized in profit or loss for the year ended:

Rs. Mln.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	**83.01**	85.37
Interest expense on lease liabilities	**50.60**	56.31
Expense relating to short term leases (included in Other expenses)	**1.43**	2.17
Expense relating to leases of low-value assets (included in Other expenses)	**-**	0.81
Variable lease payments (included in Other expenses)	**0.08**	0.52
Rent concessions	**(0.72)**	-
(Gain) / loss on lease termination	**(0.29)**	-
Total amount recognized in profit or loss	**134.11**	**145.18**

Note: The Company has applied the practical expedient to all rent concessions that meet the conditions.

f) The Company had total cash outflows for leases of during the year ended March 31, 2021 of Rs.116.45 Mln. (Previous year Rs. 120.02 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, 2021	As at March 31, 2020
Less than 1 year	**112.55**	117.39
1 to 5 years	**461.49**	404.18
More than 5 years	**145.35**	315.03
	719.39	**836.60**

14.3 Trade payables

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Non-current		
Total outstanding dues of creditors, other than micro and small enterprises	**31.78**	-
	31.78	-
Current		
Total outstanding dues of micro and small enterprises	**9.29**	17.11
	9.29	**17.11**
Total outstanding dues of creditors, other than micro and small enterprises		
Trade payables - subsidiaries (refer note no.26)	**74.28**	66.44
Trade payables - other related parties (refer note no.26)	**-**	2.69
Trade payables - others	**207.25**	172.85
	281.53	**241.98**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

14.3 Trade payables (Contd.)

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	As at March 31, 2021 Rs. Mln.		As at March 31, 2020 Rs. Mln.	
	Principal	Interest	Principal	Interest
Amount due	**9.29**	**-**	17.11	-
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 (Previous year Nil))	**NA**	**-**	NA	-
Interest disallowable under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**NA**	**-**	NA	-

Dues to micro, small and medium enterpirses have been determined to the extent such parties have been identified on the basis of information available with the Company.

14.4 Other financial liabilities

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Current		
Capital creditors	**30.78**	14.33
Current maturities of long term loans (refer note no.14.1)	**-**	33.33
Rental advances	**0.30**	0.50
Foregin currency forward contract	**-**	2.23
Employee welfare payables	**2.54**	2.54
	33.62	**52.93**

15. PROVISIONS

Non-current		
Provision for gratuity (refer note no.20.1)	**0.75**	6.98
Provision for leave encashment and other retirals (refer note no.15.1)	**62.18**	57.31
	62.93	**64.29**
Current		
Provision for gratuity (refer note no.20.1)	**0.04**	0.25
Provision for leave encashment and other retirals (refer note no.15.1)	**5.29**	4.50
	5.33	**4.75**

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	**58.49**	49.81
Leave encashment fixed commitment	**8.87**	9.29
Leave encashment provision by overseas branches	**0.11**	2.71
	67.47	**61.81**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

15. Provisions (Contd.)

The movement in the present value of the obligation is given below:

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Opening balance	**49.81**	47.03
Current service cost	**4.84**	4.51
Interest cost	**3.08**	3.38
Actuarial (gains) / losses	**5.39**	(2.27)
Benefits paid	**(4.63)**	(2.84)
Closing balance	**58.49**	**49.81**

Costs considered in the statement of profit and loss (P&L) is given below: **Rs. Mln.**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Costs accrued as per actuarial valuation	**13.31**	5.63
Costs accrued by overseas branches - net of reversals	**(2.55)**	0.03
	10.76	**5.66**
The movement in the P&L as per actuary is given below:		
Current service cost	**4.84**	4.51
Interest on obligation	**3.08**	3.38
Net actuarial (gains) / losses	**5.39**	(2.26)
Net cost recognized	**13.31**	**5.63**

16. OTHER LIABILITIES

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Non-current		
Unearned revenue	**2.40**	3.20
Advance from customers	**6.55**	6.74
	8.95	**9.94**
Current		
Unearned revenue	**193.02**	154.58
Statutory dues payable	**44.52**	37.72
Expenses payable	**100.43**	85.62
Contract obligation	**82.00**	48.00
Advance from customers	**2.93**	3.06
	422.90	**328.98**

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, 2021	Year ended March 31, 2020
	Rs. Mln.	Rs. Mln.
Revenue from software products	**1,656.03**	1,400.27
Revenue from software services	**1,712.10**	1,643.79
Revenue from resale of software and hardware materials	**81.92**	14.42
	3,450.05	**3,058.48**

17.2 Geography wise revenue

Americas	**398.16**	284.00
Europe	**321.59**	134.05
APAC	**1,016.48**	1,010.33
India	**1,456.51**	1,408.05
Middle East and Africa	**257.31**	222.05
	3,450.05	**3,058.48**

17.3 Business unit wise revenue

ERP	**1,634.46**	1,336.77
HRP	**1,014.39**	1,155.58
Aviation	**801.20**	566.13
	3,450.05	**3,058.48**

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, 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:

a) 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

b) 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, 2021, the Company recognized revenue of Rs.134.89 Mln. (previous year Rs.139.18 Mln.) arising from opening unearned revenue of Rs.157.78 Mln. (previous year Rs.160.75 Mln.) as at April 01, 2020.

Reconciliation of revenue recognized with the contracted price is as follows:

Contract Price	**3,463.33**	3,070.98
Reduction towards implied financing component	**(13.28)**	(12.50)
Revenue recognized	**3,450.05**	**3,058.48**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

18. FINANCE INCOME

Particulars	Year ended March 31, 2021 Rs. Mln.	Year ended March 31, 2020 Rs. Mln.
Interest income - loan to subsidiaries (refer note no.26)	**81.43**	115.58
Interest income - other than related parties	**11.16**	22.64
	92.59	**138.22**

19. OTHER INCOME

Profit on sale of property, plant and equipments	**0.35**	-
Gain on termination of leased assets	**0.29**	-
Other income	**0.30**	0.86
	0.94	**0.86**

20. EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	**1,207.75**	1,067.26
Share based payments	**(4.14)**	9.18
Contribution to provident and other funds	**63.53**	63.68
Gratuity and other retrials (refer note no.20.1)	**32.96**	40.26
Staff welfare	**17.26**	36.96
	1,317.36	**1,217.34**

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	**63.53**	63.68
Superannuation fund	**14.55**	15.11
National pension system	**3.44**	3.56
Other pension schemes by overseas branches	**0.41**	0.38

Defined benefit plan contributions by the employer:

Gratuity fund, including adjustments based on actuarial valuation	**20.91**	19.60
Gratuity commitment by overseas branches	**(6.36)**	1.61

The movement in Gratuity (the defined benefit plan) is given below:

Current service cost	**22.33**	20.70
Interest on obligation	**12.38**	13.02
Expected return on plan assets (to the extent it represents an adjustment to interest cost)	**(13.80)**	(14.12)
Net cost recognized in the statement of profit and loss	**20.91**	19.60
Expected return on plan assets (to the extent it does not represent an adjustment to interest cost)	**(1.87)**	2.00
Actuarial (gains) / losses	**(2.82)**	(7.04)
Net (gain) / loss recognized in the other comprehensive income	**(4.69)**	**(5.04)**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

20.1 As per Ind AS 19, the disclosures pertaining to employee benefits (Contd.)

Movements in the present value of the defined benefit obligation in the current and previous year were as follows:

Particulars	Year ended March 31, 2021 Rs. Mln.	Year ended March 31, 2020 Rs. Mln.
Opening defined benefit obligation	**198.64**	179.60
Current service cost	**22.33**	20.70
Interest cost	**12.38**	13.02
Actuarial (gains) / losses	**(2.82)**	(7.04)
Benefits paid	**(16.34)**	(7.64)
Closing defined benefit obligation	**214.19**	**198.64**

Movements in the present value of the plan assets in the current and previous year were as follows:

Opening fair value of plan assets	**213.09**	180.27
Expected return on plan assets	**13.80**	14.12
Actuarial (gains) / losses	**1.87**	(2.00)
Contributions from the employer	**14.84**	28.34
Benefits paid	**(16.34)**	(7.64)
Closing fair value of plan assets	**227.26**	**213.09**

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Present value of funded defined benefit obligation	**214.19**	198.64
Less: Fair value of plan assets	**227.26**	213.09
Present value of funded defined benefit obligations / (asset)	**(13.07)**	**(14.45)**
Gratuity liability maintained by overseas branches	**0.79**	7.23
Investment details:		
Funds with LIC	**227.26**	213.09

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Discount rate	**6.66%**	6.50%
Future salary increase	**8.00%**	3.00% p.a. in year 1 and 8.00% p.a. thereafter

Notes to Standalone Financial Statements for the year ended March 31, 2021 (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, 2021**			
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Increase / (decrease) on defined benefit obligation in Rs. Mln.	**(10.67)**	**11.51**	11.53	(10.80)
Particulars	**For the year ended March 31, 2020**			
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Increase / (decrease) on defined benefit obligation in Rs. Mln.	(10.01)	10.80	10.85	(10.16)

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, 2021 Rs. Mln.**	**Year ended March 31, 2020 Rs. Mln.**
Within the next 12 months (next annual reporting period)	**6.89**	5.97
1 - 2 years	**12.10**	11.87
2 - 3 years	**11.03**	7.95
3 - 4 years	**14.30**	10.42
4 - 5 years	**11.15**	13.85
Beyond 5 years	**101.40**	91.10
Total expected payments	**156.87**	**141.16**

21. FINANCE COSTS

Particulars	**Year ended March 31, 2021 Rs. Mln.**	**Year ended March 31, 2020 Rs. Mln.**
Interest on loans	**24.25**	49.22
Interest on leased assets	**50.60**	56.31
Interest others	**0.03**	0.07
Other finance cost on loans	**1.03**	1.96
	75.91	**107.56**

22. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on property, plant and equipment	**64.69**	64.05
Depreciation on leased assets	**83.01**	85.36
Amortization of intangible assets	**481.82**	456.67
	629.52	**606.08**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

23. OTHER EXPENSES

Particulars	For the Year ended March 31, 2021 Rs. Mln.	For the Year ended March 31, 2020 Rs. Mln.
Advertisement and sales promotion	**55.60**	106.91
Bank charges	**3.23**	3.21
Bad debts / provision for doubtful debts & advances, net	**93.54**	19.86
Consultancy charges	**21.87**	24.25
Corporate social responsibility expenditure	**14.45**	12.21
Foreign exchange fluctuation, net	**(52.38)**	(126.67)
Insurance	**8.80**	6.49
Loss on sale of property, plant and equipment	**1.06**	0.68
Office maintenance	**24.04**	38.16
Outsourcing costs	**162.42**	165.34
Power & fuel	**16.65**	25.60
Printing & stationery	**0.72**	1.63
Postage, telephone and communication	**59.13**	41.95
Rent	**111.51**	85.42
Repairs - building	**0.14**	3.90
Repairs - plant and machinery	**54.43**	45.38
Repairs - others	**9.78**	12.73
Rates and taxes	**13.77**	22.16
Sales commission and other selling expenses	**9.02**	8.72
Software subscription and maintenance	**7.63**	13.06
Travelling and conveyance	**6.75**	75.57
Miscellaneous expenses	**39.94**	60.56
	662.10	**647.12**

23.1 Movement in provision for doubtful debts & advances

Particulars	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
Balance at the beginning	**158.61**	149.79
Provisions for the year	**93.54**	19.86
Translation differences	**(0.33)**	1.20
Provision utilized for write off	**(117.22)**	(12.24)
Balance at the end	**134.60**	**158.61**

Expenses recognized in statement of profit and loss

Particulars	Year ended March 31, 2021 Rs. Mln.	Year ended March 31, 2020 Rs. Mln.
Provisions for the year	**93.54**	19.86
Provision utilized for write off reversed to P&L	**(117.22)**	(12.24)
Amounts written off	**117.22**	12.24
Bad debts / provision for doubtful debts & advances, net	**93.54**	**19.86**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

24. FEES PAID TO STATUTORY AUDITORS (EXCLUDING GST)

Particulars	Year ended March 31, 2021 Rs. Mln.	Year ended March 31, 2020 Rs. Mln.
Statutory Audit	**1.80**	1.80
Company Law matters	**0.03**	0.03
Other Certifications	**0.13**	0.54
	1.96	**2.37**

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. Accordingly, the gross amount required to be spent by the Company during the year ended March 31, 2021 is Rs.14.45 Mln. Details of amount spent during the year on CSR activities are given below:

Rs. Mln.

Sl. no.	Particulars	Paid in cash	Yet to be paid in cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	14.45	-	14.45

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	8.	R S L Software Co. Ltd, Sudan
2.	Ramco Systems Ltd., Switzerland	9.	Ramco Systems Australia Pty Ltd, Australia
3.	Ramco Systems Pte. Ltd., Singapore	10.	Ramco System Inc., Philippines
4.	Ramco Systems Sdn. Bhd., Malaysia	11.	Ramco Systems (Shanghai) Co. Ltd., China
5.	RSL Enterprise Solutions (Pty) Ltd., South Africa	12.	Ramco System Vietnam Company Limited, Vietnam
6.	Ramco Systems Canada Inc., Canada (100% subsidiary of Ramco Systems Corporation, USA)	13.	PT Ramco Systems Indonesia, Indonesia
7.	Ramco Systems FZ-LLC, Dubai	14.	Ramco Systems Macau Limited, Macau (100% subsidiary of Ramco Systems Pte. Ltd., Singapore)

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
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

26. Related party transactions (Contd.)

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	17.	Gowrihouse Metal Works LLP
2.	The Ramco Cements Limited	18.	JKR Enterprises Limited
3.	Ramco Industries Limited	19.	Gowrishankar Screws
4.	The Ramaraju Surgical Cotton Mills Limited	20.	P A C R Sethuramammal Charity Trust
5.	Sri Vishnu Shankar Mills Limited	21.	P A C R Sethuramammal Charities
6.	Sandhya Spinning Mill Limited	22.	Rajapalayam Spinners Limited
7.	Thanjavur Spinning Mill Limited	23.	Ramco Industrial and Technology Services Limited
8.	Sri Harini Textiles Limited	24.	Madurai Trans Carrier Limited
9.	Swarna Boomi Estate	25.	Ramco Welfare Trust
10.	Thanga Vilas Estate	26.	Lynks Logistics Limited
11.	Rajapalayam Textile Limited	27.	Ramco Management Private Limited
12.	Shri Harini Media Limited	28.	Raja Charity Trust
13.	Sudarsanam Estate	29.	P A C Ramasamy Raja Centenary Trust
14.	Shri Abhinava Vidyatheertha Seva Trust	30.	P A C Ramasamy Raja Education Charity Trust
15.	Smt. Lingammal Ramaraju Shastra Prathista Trust		
16.	The Ramco Cements Limited Educational and Charitable Trust		

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:

Rs. Mln.

Particulars	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
Income from sale of goods & services						
Ramco Systems Corporation, USA	**155.82**	**55.53**	**-**	178.58	119.49	-
Ramco Systems Canada Inc, Canada	**1.38**	**0.69**	**-**	2.11	1.76	-
Ramco Systems Ltd., Switzerland	**18.71**	**-**	**-**	21.20	3.67	-
Ramco Systems Sdn. Bhd., Malaysia	**74.08**	**4.89**	**-**	71.03	58.16	-
Ramco Systems Pte. Ltd., Singapore	**169.37**	**116.07**	**-**	238.90	162.91	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

26. Related party transactions (Contd.)

Rs. Mln.

Particulars	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
RSL Enterprise Solutions (Pty) Ltd., South Africa	**26.64**	**1.82**	**-**	31.51	2.54	-
Ramco Systems FZ-LLC, Dubai	**114.29**	**53.52**	**-**	163.20	42.95	-
R S L Software Co. Ltd, Sudan	**-**	**-**	**-**	-	15.24	-
Ramco Systems Australia Pty Ltd, Australia	**94.18**	**67.14**	**-**	118.93	94.41	-
Ramco System Inc., Philippines	**229.02**	**155.54**	**-**	278.68	211.75	-
Ramco Systems (Shanghai) Co. Ltd., China	**6.08**	**25.09**	**-**	44.30	34.99	-
PT Ramco Systems Indonesia, Indonesia	**6.22**	**3.72**	**-**	5.10	4.20	-
Ramco System Vietnam Company Limited, Vietnam	**1.72**	**1.45**	**-**	1.00	-	-
The Ramco Cements Limited	**107.99**	**-**	**-**	252.91	-	-
Ramco Industries Limited	**7.34**	**-**	**-**	19.31	-	-
Rajapalayam Mills Limited	**2.50**	**-**	**-**	15.41	-	-
Rajapalayam Textile Limited	**0.31**	**-**	**-**	0.46	-	-
Sri Vishnu Shankar Mills Limited	**1.13**	**-**	**-**	1.75	-	-
Sandhya Spinning Mill Limited	**0.82**	**-**	**-**	1.34	-	-
Sri Harini Textiles Limited	**0.22**	**-**	**-**	0.37	-	-
The Ramaraju Surgical Cotton Mills Limited	**2.13**	**-**	**-**	2.37	-	-
Sudarsanam Estate	**0.16**	**-**	**-**	0.20	0.10	-
Swarna Bhoomi Estate	**0.10**	**-**	**-**	0.13	-	-
Thanga Vilas Estate	**0.12**	**-**	**-**	0.15	-	-
Ramco Welfare Trust	**0.15**	**-**	**-**	0.07	-	-
Smt. Lingammal Ramaraju Shastra Prathista Trust	**0.17**	**-**	**-**	0.07	-	-
The Ramco Cements Limited Educational and Charitable Trust	**1.63**	**-**	**-**	0.29	-	-
Gowrihouse Metal Works LLP	**-**	**-**	**-**	0.58	0.53	-
P A C R Sethuramammal Charity Trust	**0.49**	**-**	**-**	0.43	-	-
P A C R Sethuramammal Charities	**0.12**	**-**	**-**	-	-	-
JKR Enterprises Limited	**-**	**-**	**-**	0.07	-	-
Madurai Trans Carrier Limited	**0.85**	**-**	**-**	1.04	-	-
Ramco Industrial and Technology Services Limited	**2.67**	**-**	**-**	0.59	0.31	-
Lynks Logistics Limited	**11.74**	**-**	**-**	-	-	-
P A C Ramasamy Raja Education Charity Trust	**0.04**	**-**	**-**	-	-	-
P A C Ramasamy Raja Centenary Trust	**0.12**	**-**	**-**	-	-	-
Income from royalty						
Ramco Systems Corporation, USA	**226.14**	**42.14**	**58.17**	135.41	71.31	14.65
Ramco Systems Canada Inc., Canada	**6.03**	**1.04**	**2.51**	2.30	1.90	-
Ramco Systems Ltd., Switzerland	**8.29**	**0.90**	**-**	14.02	0.84	-

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26. Related party transactions (Contd.)

Rs. Mln.

Particulars	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
Ramco Systems Sdn. Bhd., Malaysia	**64.42**	**10.91**	**21.93**	26.52	15.99	0.48
Ramco Systems Pte. Ltd., Singapore	**101.62**	**65.89**	**82.50**	189.40	48.69	79.28
Ramco Systems FZ-LLC, Dubai	**70.67**	**20.78**	**6.76**	69.40	16.09	13.79
Ramco Systems Australia Pty Ltd, Australia	**62.06**	**34.63**	**13.70**	42.87	22.01	5.02
Ramco System Inc., Philippines	**47.27**	**24.60**	**-**	42.63	20.56	5.64
Ramco Systems (Shanghai) Co. Ltd., China	**(2.51)**	**3.09**	**6.10**	22.44	3.35	9.94
PT Ramco Systems Indonesia, Indonesia	**0.97**	**2.58**	**-**	7.23	1.79	1.81
Refund of royalty to Ramco Systems Pte. Ltd., Singapore	**-**	**-**	**-**	28.61	28.61	-
Cost of services availed						
Ramco Systems Corporation, USA	**61.53**	**10.61**	**-**	-	-	-
Ramco Systems Ltd., Switzerland	**19.99**	**33.56**	**-**	5.45	24.15	-
Ramco Systems Sdn. Bhd., Malaysia	**9.38**	**3.61**	**-**	8.54	0.96	-
Ramco Systems Pte. Ltd., Singapore	**62.31**	**17.14**	**-**	51.14	11.69	-
Ramco Systems Australia Pty Ltd, Australia	**10.78**	**6.01**	**-**	3.49	0.49	-
Ramco System Inc., Philippines	**7.38**	**2.86**	**-**	1.82	0.49	-
PT Ramco Systems Indonesia, Indonesia	**0.77**	**0.19**	**-**	0.12	0.05	-
Ramco Systems (Shanghai) Co. Ltd., China	**2.02**	**0.29**	**-**	-	-	-
Ramco Industrial and Technology Services Limited	**46.69**	**-**	**-**	50.08	2.69	-
Investments (refer note no.8)						
Ramco Systems Pte. Ltd., Singapore	**-**	**-**	**-**	395.66	-	-
Ramco Systems Australia Pty Ltd, Australia	**-**	**-**	**-**	269.11	-	-
Loans given						
Ramco Systems Sdn. Bhd., Malaysia	**-**	**125.66**	**-**	55.23	141.09	-
Ramco Systems Australia Pty Ltd, Australia	**-**	**276.83**	**-**	243.02	230.45	-
Ramco Systems Pte. Ltd., Singapore	**-**	**392.54**	**-**	378.88	381.54	-
Ramco Systems FZ-LLC, Dubai	**-**	**30.32**	**-**	10.54	221.13	-
Ramco System Inc., Philippines	**-**	**21.55**	**-**	8.49	22.14	-
Interest income						
RSL Enterprise Solutions (Pty) Ltd., South Africa	**-**	**-**	**-**	0.43	-	-
Ramco Systems Australia Pty Ltd, Australia	**23.16**	**1.75**	**-**	36.35	5.12	-
Ramco Systems Pte. Ltd., Singapore	**34.22**	**-**	**-**	49.64	43.17	-
Ramco Systems FZ-LLC, Dubai	**10.55**	**-**	**-**	18.59	3.24	-
Ramco Systems Sdn. Bhd., Malaysia	**11.59**	**-**	**-**	8.35	0.81	-
Ramco System Inc., Philippines	**1.90**	**-**	**-**	2.23	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

26. Related party transactions (Contd.)

Rs. Mln.

Particulars	Transaction during 2020-21	Outstanding as at March 31, 2021	Unbilled/ (unearned) outstanding as at March 31, 2021	Transaction during 2019-20	Outstanding as at March 31, 2020	Unbilled/ (unearned) outstanding as at March 31, 2020
Bank guarantee issued to						
i) a banker to Ramco Systems FZ-LLC, Dubai	**-**	**65.00**	**-**	-	67.27	-
ii) a banker to Ramco System Inc., Philippines	**4.79**	**27.78**	**-**	4.46	28.00	-
iii) a banker to Ramco Systems Australia Pty Ltd, Australia	**-**	**7.06**	**-**	-	5.84	-
iv) a banker to Ramco Systems Sdn. Bhd., Malaysia	**-**	**-**	**-**	-	23.97	-
Corporate guarantee issued in favour of customer(s) of						
i) Ramco Systems Australia Pty Ltd, Australia	**-**	**668.43**	**-**	-	664.97	-
ii) Ramco System Inc., Philippines	**-**	**-**	**-**	83.27	88.18	-
Rent expense						
The Ramco Cements Limited	**92.99**	**-**	**-**	92.99	-	-
Rajapalayam Mills Limited	**0.08**	**-**	**-**	0.08	-	-
Sitting fees						
Mr. P R Venketrama Raja	**0.12**	**-**	**-**	0.12	-	-
Mr. P V Abinav Ramasubramaniam Raja	**0.12**	**-**	**-**	0.12	-	-
Mr. M M Venkatachalam	**0.27**	**-**	**-**	0.21	-	-
Mr. A V Dharmakrishnan	**0.24**	**-**	**-**	0.24	-	-
Mr. R S Agarwal	**0.27**	**-**	**-**	0.27	-	-
Mrs. Soundara Kumar	**0.27**	**-**	**-**	0.27	-	-
Mr. Sankar Krishnan	**0.24**	**-**	**-**	0.18	-	-
Justice Mr. P P S Janarthana Raja (Retd.)	**0.27**	**-**	**-**	0.27	-	-
Remuneration						
Mr. P V Abinav Ramasubramaniam Raja	**1.31**	**-**	**-**	1.31	-	-
Mr. R Ravi Kula Chandran	**8.80**	**-**	**-**	7.51	-	-
Mr. P R Karthic	**-**	**-**	**-**	0.50	-	-
Mr. N E Vijaya Raghavan	**1.57**	**-**	**-**	0.20	-	-
CSR contribution						
Shri Abhinava Vidyatheertha Seva Trust	**14.45**	**-**	**-**	12.21	-	-
Contributions made						
Ramco Systems Limited employees group gratuity scheme	**14.84**	**-**	**-**	28.34	-	-
Ramco Systems Limited employees superannuation scheme	**14.56**	**-**	**-**	15.11	-	-

Notes:

a) Details of undertaking given by the Company are given in the note no.29.

b) The above figures include Service Tax / VAT / CST / GST as applicable.

c) 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 30 to 90 days, except in the case of overseas subsidiaries, from whom the receivables are realized within the prescribed period.

26. Related party transactions (Contd.)

d) Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Rs. Mln.

Particulars	FY 2020-21	FY 2019-20
Short - Term Benefits *	**12.59**	10.42
Defined Contribution Plan **	**0.90**	0.79
Defined Benefit Plan / Other Long - Term Benefits ***	**-**	-
Total	**13.49**	**11.21**

* It includes bonus, sitting fees and value of perquisites.

** It includes contribution to Provident fund, Superannuation, National pension scheme and accrual of Gratuity.

*** Based on actual payment if any.

e) Maximum loan outstanding during the year from subsidiaries:

Rs. Mln.

Name of the subsidiary	FY 2020-21	FY 2019-20
Ramco Systems Sdn. Bhd., Malaysia	**144.57**	141.90
Ramco Systems Australia Pty Ltd, Australia	**294.73**	557.39
Ramco Systems Pte. Ltd., Singapore	**435.32**	818.78
Ramco Systems FZ-LLC, Dubai	**212.05**	229.10
Ramco System Inc., Philippines	**22.67**	33.94

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, 2021 Rs. Mln.

Sl. No.	Particulars	Amortized Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
	Financial assets					
1	Loans	848.65	-	-	848.65	848.65
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	1,175.39	-	-	1,175.39	1,175.39
4	Cash & cash equivalents	23.36	-	-	23.36	23.36
5	Other financial assets	630.14	-	-	630.14	630.14
	Total	**2,677.54**	**-**	**15.00**	**2,692.54**	**2,692.54**
	Financial liabilities					
6	Borrowings	-	-	-	-	-
7	Lease liabilities	527.52	-	-	527.52	527.52
	Trade payables					
8	Total outstanding dues of micro and small enterprises	9.29	-	-	9.29	9.29
9	Total outstanding dues of creditors, other than micro and small enterprises	313.31	-	-	313.31	313.31
10	Other financial liabilities	33.62	-	-	33.62	33.62
	Total	**883.74**	**-**	**-**	**883.74**	**883.74**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

27. Disclosure of fair value measurements (Contd.)

As at March 31, 2020 **Rs. Mln.**

Sl. No.	Particulars	Amortized Cost	FVTPL	FVOCI	Carrying Amount	Fair Value
	Financial assets					
1	Loans	1,048.68	-	-	1,048.68	1,048.68
2	Investments	-	-	15.00	15.00	15.00
3	Trade receivables	1,360.69	-	-	1,360.69	1,360.69
4	Cash & cash equivalents	30.84	-	-	30.84	30.84
5	Other financial assets	382.17	4.93	-	387.10	387.10
	Total	**2,822.38**	**4.93**	**15.00**	**2,842.31**	**2,842.31**
	Financial liabilities					
6	Borrowings	893.70	-	-	893.70	893.70
7	Lease liabilities	594.05	-	-	594.05	594.05
	Trade payables					
8	Total outstanding dues of micro and small enterprises	17.11	-	-	17.11	17.11
9	Total outstanding dues of creditors, other than micro and small enterprises	241.98	-	-	241.98	241.98
10	Other financial liabilities	50.70	2.23	-	52.93	52.93
	Total	**1,797.54**	**2.23**	**-**	**1,799.77**	**1,799.77**

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, 2021 are given below:

Rs. Mln.

Particulars	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	-	-	-	-

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2020 are given below:

Rs. Mln.

Particulars	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	-	2.70	-	**2.70**

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.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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.

Rs. Mln.

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	**- ***	927.03
Less: Cash and cash equivalents	**- #**	30.84
Net Debt (A)	**-**	896.19
Equity Share Capital	**307.49**	306.39
Other Equity	**8,456.71**	7,992.68
Total Equity (B)	**8,764.20**	**8,299.07**
Debt / Equity (A / B)	**-**	10.80%

* In addition to the opening borrowings as at April 01, 2020, there have been further borrowings during the year and entire borrowings have been repaid during the year, thus making the borrowings as at March 31, 2021 nil.

not considered, since borrowings were nil.

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, 2021 and March 31, 2020.

29. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
a) Bank Guarantees issued by the bankers to the Company in favour of:		
i) Bankers to the subsidiaries and overseas branches (refer note no.26)	**99.84**	125.08
ii) Others	**0.85**	0.85
b) Corporate Guarantee issued in favour of customers of subsidiaries (refer note no.26)	**668.43**	753.15
c) Claims against the Company not acknowledged as debts		
i) Disputed Tamil Nadu VAT demand		
1. Relating to FY 2009-10 to FY 2013-14 and pending before 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 Sales tax demand, pending before the first appellate authority, Mumbai, FY 2012-13	**0.09**	0.09
iii) Disputed Service tax demand, pending before the first appellate authority, Years FY 2015-16 to FY 2017-18	**1.21**	1.21
iv) Other litigations	**40.06**	20.69
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**36.74**	5.82

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

29. Contingent liabilities and commitments (Contd.)

The Company has undertaken to provide continued financial support to its subsidiaries, Ramco Systems Pte. Ltd., Singapore, Ramco Systems Australia Pty Ltd., Australia, 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 with respect to debt dues, if any, to Ramco Systems Ltd., Switzerland.

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.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risks faced by the Company. The risk management systems are reviewed periodically. The Audit Committee of the Board, oversees the compliance with the policy. The Internal Audit reviews the risk management controls and 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, 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	FY 2020-21	FY 2019-20
Fixed rate borrowing	**373.25**	689.88
Variable rate borrowing	**74.59**	159.18

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2020-21 by Rs.0.75 Mln. (FY 2019-20 by Rs.1.59 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
SGD Mln.						
As at March 31, 2021	**3.01**	**1.44**	**-**	**7.28**	**(0.19)**	**11.54**
As at March 31, 2020	3.60	1.40	-	8.10	(0.59)	**12.51**
USD Mln.						
As at March 31, 2021	**2.55**	**1.76**	**-**	**2.01**	**(0.35)**	**5.97**
As at March 31, 2020	3.98	0.94	-	2.19	(0.37)	**6.74**

30. Financial risk management objectives and policies (Contd.)

Foreign currency	Trade receivables	Unbilled revenues	Bank balances	Loans given	Trade payables	Total
AUD Mln.						
As at March 31, 2021	**1.83**	**0.16**	**-**	**5.06**	**(0.11)**	**6.94**
As at March 31, 2020	2.53	0.11	-	5.14	(0.01)	**7.77**
PHP Mln.						
As at March 31, 2021	**118.72**	**-**	**-**	**-**	**(1.87)**	**116.85**
As at March 31, 2020	156.78	3.81	-	-	(0.33)	**160.26**
EUR Mln.						
As at March 31, 2021	**0.30**	**2.32**	**-**	**-**	**(0.54)**	**2.08**
As at March 31, 2020	0.10	0.50	-	-	-	**0.60**
HKD Mln.						
As at March 31, 2021	**1.85**	**10.59**	**-**	**-**	**(0.71)**	**11.73**
As at March 31, 2020	3.78	8.99	-	-	(0.84)	**11.93**
AED Mln.						
As at March 31, 2021	**3.04**	**0.35**	**-**	**1.56**	**-**	**4.95**
As at March 31, 2020	2.26	0.68	-	11.20	(0.03)	**14.11**

Sensitivity analysis between Indian Rupee and the following foreign currencies for an increase of / decrease by Re. 1:

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
SGD	11.54	(11.54)	12.51	(12.51)
USD	**5.97**	**(5.97)**	6.74	(6.74)
AUD	**6.94**	**(6.94)**	7.77	(7.77)
PHP	**116.85**	**(116.85)**	160.26	(160.26)
EUR	**2.08**	**(2.08)**	0.60	(0.60)
HKD	**11.73**	**(11.73)**	11.93	(11.93)
AED	**4.95**	**(4.95)**	14.11	(14.11)

The Company follows the following strategy to mitigate the risk of changes in exchange rates on foreign currency exposures:

a. 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 as on March 31, 2021 is nil. (Previous year USD 5.33 Mln.).

b. 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	FY 2020-21		FY 2019-20	
	In Mln.	Rs. Mln.	In Mln.	Rs. Mln.
AED	-	-	0.55	10.80
AUD	-	-	0.20	10.03
SGD	-	-	0.39	21.01
USD	-	-	0.59	42.60

The accounting treatment followed for foreign exchange forward contracts is Mark to Market based on the MTM calculations provided by the bankers.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

30. Financial risk management objectives and policies (Contd.)

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 and unbilled revenues

Trade receivables

Trade receivables of the Company include a) dues from its overseas subsidiaries amounting to 59% as at March 31, 2021 (70% as at March 31, 2020), 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, 2021, were 20 and 64% respectively (24 and 67% as at March 31, 2020).

External customer accounted for more than 10% of the trade receivable from them, is one as at March 31, 2021 and nil as at March 31, 2020.

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 one as at March 31, 2021 and nil as at March 31, 2020.

B.2 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.

Credit risk exposure

The movement in provision for doubtful debts and advances is as below:

Rs. Mln.

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	**158.61**	149.79
Provisions for the year	**93.54**	19.86
Translation differences	**(0.33)**	1.20
Provision utilized for write off	**(117.22)**	(12.24)
Balance at the end	**134.60**	**158.61**

Credit exposure (net of provisions)

Trade receivables	**1,175.39**	1,360.69
Unbilled licenses revenue	**394.66**	188.81
Unbilled royalty revenue	**191.66**	130.61
Unbilled services revenue	**342.81**	310.89
Advance to suppliers and service providers	**69.23**	93.33

30. Financial risk management objectives and policies (Contd.)

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.

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:

Rs. Mln.

Particulars	As at March 31, 2021	As at March 31, 2020
Expiring within one year		
Bank cash credit / overdraft / packing credit / WCDL (subject to the availability of drawing power at the time of drawl)	**1,725.00**	897.97
Expiring beyond one year	**Nil**	Nil

Maturities of financial liabilities

Rs. Mln.

Particulars	< 1 year	> 1 year	Total
As at March 31, 2021			
Borrowings	-	-	-
Trade and other payables	**324.44**	**31.78**	**356.22**
Lease liabilities (on undiscounted basis)	**112.55**	**606.84**	**719.39**
Total	**436.99**	**638.62**	**1,075.61**
As at March 31, 2020			
Borrowings	860.36	66.67	927.03
Trade and other payables	278.69	-	278.69
Lease liabilities (on undiscounted basis)	117.39	719.21	836.60
Total	**1,256.44**	**785.88**	**2,042.32**

31. The Company has only one operating segment, viz., Software Solutions & Services and hence the segment reporting required under Ind AS 108 does not apply.

32. 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 2021-22 have been paid to the BSE Limited and The National Stock Exchange of India Limited.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

33. IMPACT OF COVID-19

Due to the outbreak of COVID-19 and the lockdown announced by Government of India and State Governments the Company's offices were closed in general and the employees were advised to work from home. The scenario was similar across our subsidiaries.

The lockdown continued in FY 2020-21 with various restrictions / relaxations and the operations are being carried on accordingly, in compliance with guidelines issued by various authorities with respect to following safety precautions like social distancing and prescribed hygiene standards. In order to mitigate the impact, the Company had undertaken various cost reduction measures.

The Company's capital and financial resources are well protected, though there would be an impact on the revenue and profitability. The liquidity position of the Company is adequate. The Company has been servicing its debt obligations as per schedule on the due dates. The Company did not avail any moratorium extended by the Banks as per the Reserve Bank of India's guidelines. 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, in the event of extension of the lockdown. 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 outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. 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.

34. Figures for the previous year have been regrouped / restated wherever necessary to make them comparable with the figures for the current year.

35. 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

K SRINIVASAN
Partner
Membership No.: 021510

Tiruchirappalli
Date : May 25, 2021

P R VENKETRAMA RAJA
Chairman
Rajapalayam

P V ABINAV RAMASUBRAMANIAM RAJA
Whole Time Director
Rajapalayam

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

SOUNDARA KUMAR
Director
Coimbatore

R RAVI KULA CHANDRAN
Chief Financial Officer
Chennai

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

ramco

RESEARCH AND DEVELOPMENT ACTIVITIES

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	As at March 31, 2021 Rs. Mln.	As at March 31, 2020 Rs. Mln.
ASSETS			
Non-current assets			
Property, plant and equipment	1	**4.46**	4.90
Intangible assets	2	**2,573.07**	2,427.72
Total non-current assets		**2,577.53**	**2,432.62**
Current assets			
Financial assets		**0.12**	-
Other current assets		**23.85**	0.10
Total current assets		**23.97**	**0.10**
Total assets		**2,601.50**	**2,432.72**
EQUITY AND LIABILITIES			
Equity			
Other equity			
Retained earnings (Revenue expenditure of R&D activity)		**(5,948.63)**	(5,494.26)
Total Equity		**(5,948.63)**	**(5,494.26)**
Liabilities			
Non-current liabilities			
Head office contra account		**8,440.12**	7,895.51
Total non-current liabilities		**8,440.12**	**7,895.51**
Current liabilities			
Financial liabilities			
Trade payables		**57.39**	31.10
Other current liabilities		**52.62**	0.37
Total current liabilities		**110.01**	**31.47**
Total liabilities		**8,550.13**	**7,926.98**
Total equity and liabilities		**2,601.50**	**2,432.72**
Notes on Financials of Research & Development Activities	1 to 5		

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**
Chartered Accountants
Firm Registration No. 001208S

P R VENKETRAMA RAJA
Chairman
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Partner
Membership No.: 021510

VIRENDER AGGARWAL
Chief Executive Officer
Singapore

N E VIJAYA RAGHAVAN
Company Secretary
Chennai

Tiruchirappalli
Date : May 25, 2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	Year ended March 31, 2021 Rs. Mln.	Year ended March 31, 2020 Rs. Mln.
EXPENSES			
Employee benefits expense	3	**0.25**	0.39
Depreciation and amortization expense	1 & 2	**454.12**	429.41
Other expenditure	4	**-**	-
Total expenditure		**454.37**	**429.80**
Profit / (loss) for the year		**(454.37)**	**(429.80)**

Notes on Financials of Research & Development Activities	1 to 5		

As per our report annexed

For **M S JAGANNATHAN & N KRISHNASWAMI**
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Tiruchirappalli
Date : May 25, 2021