ramco

Business Responsibility Report – 2019-20
[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements)
Regulations, 2015 ("SEBI LODR")]

This Business Responsibility Report (BRR) conforms to the requirement of SEBI LODR and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of business released by Ministry of Corporate Affairs, Government of India (MCA). This Report provides an overview of activities/initiatives carried out by your Company.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L72300TN1997PLC037550			
2	Name of the Company	Ramco Systems Limited ("Ramco")			
3	Registered address	47, PSK Nagar, Rajapalayam – 626 108			
4	Website	www.ramco.com			
5	E-mail id	investorcomplaints@ramco.com			
6	Financial Year reported	April 01, 2019 to March 31, 2020			
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes as per NIC – 2008			
		Group	Class	Sub class	Description
		620	6201	62011	Writing, modifying, testing of computer program to meet the needs of a particular client excluding web page designing.
				62013	Providing software support and maintenance to the clients
		631	6311	63111	Data processing, hosting and related activities; Data processing activities including report writing
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Computer Programming and related activities (ii)) Consultancy and related activities (iii) Hosting and related activities			
9	Total number of locations where business activity is undertaken by the Company	Number of International Locations: Please refer the list of overseas location given at the end of the Annual Report. **Number of National Locations:** Ramco has 5 offices at Chennai, Mumbai, Gurugram, Bangalore and Rajapalayam.			
10	Markets served by the Company				

Local	State	National	International
√	√	√	√

India, North America, Europe, Middle East, Africa, Asia (Malaysia, Singapore, Philippines, Indonesia, Vietnam, China, Hong Kong and Macau), Australia and New Zealand.

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SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital - Rs. Mln.	306.39
2.	Total Turnover - Rs. Mln.	3,197.56
3.	Total profit after taxes - Rs. Mln.	248.91
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent Rs.12.21 Mln. on CSR which is 2% of the average profit after tax of the last 3 years.
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annexure V to Board's Report

SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary Company/ Companies?	Yes. Refer Annexure VII to Board's Report
2.	Do the subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Business Responsibility initiatives of the Company are not applicable to its foreign subsidiaries. However, the subsidiaries share/follow the principles & ethics of the parent Company and are responsible businesses.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company involves its Business Associates in its Business Responsibility initiatives. However, their extent of participation in terms of percentage cannot be quantified.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	DIN Number	00331406
2.	Name	Mr. P R Venketrama Raja
3.	Designation	Chairman

(b) Details of the BR head

1.	DIN Number	N.A.
2.	Name	Mr. Virender Aggarwal
3.	Designation	Chief Executive Officer
4.	Telephone Number	+91 44 2235 2171
5.	E-mail ID	brr@ramco.com

2. Principle-wise (as per PVGs) BR Policy/Policies

(a) The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas or Principles P1 to P9, (given in Section E) of Business Responsibility.

(b) Details of compliance in respect of those principles are given below:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for BR Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies/processes framed by the Company are in accordance with the applicable laws and standards, as applicable for the business operations of the Company from time to time. The policies/process are at par with generally accepted practices for the respective principles.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes the policies are approved by the Board/senior management persons/Business Unit heads as required respectively.								
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The statutory policies are available on https://www.ramco.com/investor-relations/ and certain management/operational related policies are available in the Company's internal portal for information of relevant stakeholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's website contains the policies for information of all internal and external stakeholders. Further, relevant communication is provided to stakeholders through appropriate mediums.								
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes, Human Resource Grievance Redressal System, The Whistle Blower Mechanism, Prevention of Sexual Harassment Policy, etc., provides opportunity to report any concerns or grievances pertaining to any potential or actual violation of the relevant policies including remedial measures/action taken by appropriate team to address such violation/concern, as the case may be. An Investor grievance mechanism is also in place to respond to any investor grievances.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The ISO Standards and other standards adopted by the Company are subject to routine monitoring/evaluation/review by their concerned external agencies on periodical basis. The implementation of the policies are subject to review by Statutory Auditors and Internal Auditors.								

(c) If answer to the question at serial number 1 against any principle, is 'No', please explain why:– **Not Applicable**

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee consisting of 3 Directors is responsible to assess the Business Responsibility performance of the Company and to oversee the implementation of the related policies. It is reviewed on periodical basis or as and when the need arises.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is forming part of Annual Report and also placed on the Company's website at www.ramco.com

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SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1) - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company's policies viz. Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy which lay down the Rules and procedures by which any stakeholder can report the actual or suspected improper activities of any kind, fraud and violation of Company's code of conduct. The whistle blower policy extends to individuals who are in full time or part time employment with the Company or its subsidiaries including those serving as consultants and contract/third party employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   Internal stakeholders' queries/issues have been satisfactorily resolved by the management and no complaint has been received under Whistle Blower Policy. During the year under review, no complaints has been received from Members.

   Principle 2 (P2) - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

(1) List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Ramco had unveiled in March 2020, an advanced facial recognition based Time & Attendance System – RamcoGEEK, embedded with Temperature recording and IoT sensor doors, to enable organizations move towards a 'Touch-less' attendance and workplace access, in the wake of the COVID-19 outbreak. Ramco drew upon its own facial recognition-based attendance system deployed across multiple organizations globally and combined it with a thermal imaging device for temperature measurement as well as other associated software. This enables organizations to track staff or visitors with high temperatures that may indicate infection and build in operating procedures to avoid further contaminations caused by finger/thumb based biometric scanners.

RamcoGEEK for Attendance with Temperature capturing can:
- Detect and match the faces of staff Members and mark their attendance along with temperature; where facial based attendance is a privacy concern, enterprises can replace it with Voice to register access
- System is linked to an IoT sensor powered door which can restrict access in case the temperature is higher than normal and auto apply leave on behalf of the employee
- Communicate the information to HR and management in real-time
- Track the movements of a high-temperature staff in the workplace

RamcoGEEK for Visitors can:
- Send notifications when RamcoGEEK encounters a person with a very high temperature to the Facility Manager / Facility Admin
- Track the movement of that person within that premise

RamcoGEEK for Contact Tracing can:
- Send notifications / Alerts to all those employees, customers, vendors and others interacted with in-person, in the event any person develops COVID-19 symptoms/ diagnosed
- The Track and Trace system is capable of reading Outlook calendar, Credit card spend data, trip details from Uber Lyft and Grab (subject to permission) to identify people met, Hotels stayed, Flights taken, Taxi drivers used and use this information to help identify employees at risk.
- Reverse tracing can also be initiated based on data around positive COVID-19 cases from external environment – for instance, a positive case of COVID-19 at a restaurant can alert all employees who have dined at the restaurant to be quarantined (based on bills raised)
- Help HR set up its own procedures to seek recent movements of the affected person, based on the information provided by the attendance system

- This piece of software could be leveraged provided RamcoGEEK could get access to the data specified above. And these data could be stored in organization's premises or could leverage Ramco's cloud for storing the same.
- Support authorities with essential information, if needed (e.g., to facilitate contact-tracing)

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   Not Applicable

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Ramco being software product based Company, its products are not resource intensive and hence reduction is negligible.

1. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   No

2. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company gives priority to procure goods and avail services from local and small vendors, located near to the offices.

3. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Yes. Ramco has a mechanism to recycle waste but it doesn't deal with product recycling as it does not manufacture products. RAMCO has contributed towards recycling of Waste Paper and earlier the same has been appreciated/ acknowledged by ITC Limited (Paper Boards & Specialty Papers Division). We recycle & use all Printer Toner cartridges after refilling them. All e waste products which are less than 5% are being disposed through a government approved/authorised vendors.

   The process involves collection of e waste products, Test & separation of the items based on use, identify them for sale/disposal, remove them from our asset records and disposal after approval.

   Principle 3 (P3) - Businesses should promote the well-being of all employees.

   1. Please indicate the Total number of employees:

      1621 permanent employees on rolls of the Company.

   2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

      Third Party Employee: 64 & Retainer: 24

   3. Please indicate the Number of permanent women employees:

      644

   4. Please indicate the Number of permanent employees with disabilities:

      Nil

   5. Do you have an employee association that is recognised by management:

      No

   6. What percentage of your permanent employees is Members of this recognised employee association? :

      Not Applicable

   7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?

      Nil

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8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sl.No.	Type	Percentage of Employees	Skill up gradation Training
(a)	Permanent Employees	95% (of 1709 total employees)	77%
(b)	Permanent Women Employees	40% (of 1621 permanent employees)	81%
(c)	Casual/Temporary/ Contractual Employees	5% (of 1709 total employees)	36%
(d)	Employees with Disabilities	Nil	Nil

Principle 4 (P4) - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

   Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

   Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company's CSR programmes are mainly targeted in Promoting education, including special education and employment enhancing vocation skills, especially, among children, women, elderly and the differently abled and livelihood. Please refer the Annual Report on CSR for more details.

   We have a structured internship program for fresh engineering graduates, aiming at increasing their employability in the current IT industry scenario.

Principle 5 (P5) - Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company's Code of Conduct and HR practices have been developed to respect and protect human rights. It extends only to the Company and its subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the year under review, the Company did not receive any complaint in respect of violation of human rights.

Principle 6 (P6) - Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   Ramco has its key focus on Cloud based solutions and offering. It has an ecosystem of vendors and suppliers who work with these solutions both as intermediaries and as solution partners. Given the context, there is a natural preference to work with other product vendors which are also on cloud. The products are hosted on Cloud infrastructure providers like AWS, MS-Azure. The Company also partners with leading consulting firms Ernst & Young (E&Y), Deloitte and KPMG to offer its cloud-based architecture as Business Platform as a Service (BPaaS) for cost-effective infrastructure and increased flexibility.

   Ramco partners with service/implementation providers who also believe in Cloud solutions and are keen to take Cloud based offerings forward.

   With the outbreak of COVID-19 disrupting businesses globally, Ramco's Innovation lab launched a "touch-less" attendance with Facial Recognition, Safe Distancing, Realtime Location Sensing, Thermal Screening and Contact Tracing - all integrated to a central HR system to help organisations ensure employee safety at the workplace. From scanning the visitors' and employees' thermal image, to leveraging Chatbot based pre-screening to alerting when

social distance norms are flouted, the application comes with varied possibilities. RamcoGEEK, the attendance system ensures containment through a robust attendance system for a healthy workplace. It is also integrated with sliding doors/elevators to create a complete "touch-less" experience for employees.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.

While this is not addressed and tracked directly today, indirectly it does get addressed. Ramco strategically focuses to promote use of its Cloud Solution to all its Clients across the globe. An increase in adoption of Cloud Solutions by the market has been observed over years. This does contribute in a positive manner towards global environmental concerns such as climate change and global warming, as it offers a more efficient alternative from an energy and cooling consumption.

3. Does the Company identify and assess potential environmental risks?

No.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not applicable.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

Yes. As part of energy efficiency/renewable energy conservation process in corporate office, we have replaced the old generators, air conditioners, lifts & conventional lights with the latest energy efficient equipment's.

As part of energy conservation activity, we have replaced conventional lights in all floors in Corporate Office with LED lights. From this energy conservation measures, we have achieved savings in energy units as compared to the previous year consumption.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Emissions generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

Principle 7 (P7) - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a Member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we have registered our Company with the following significant Associations:

The National Association of Software and Services Companies (NASSCOM)

Confederation of Indian Industry (CII)

Singapore Infocomm Technology Federation (SITF)

Society for Human Resource Management (SHRM)

American Payroll Association (APA)

Irish Payroll Association (IPASS)

South Africa Payroll Association

Global Payroll Association (GPA)

AMCHAM – Singapore

Australia Payroll Association (APA)

UK Warehouse Association (UKWA)

American Staffing Association

Association of Professional Staffing

Indo-Australian Chamber of Commerce

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2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

In an effort to drive advocacy globally and locally, we have been working with associations like NASSCOM/CII by supporting their reforms.

Principle 8 (P8) - Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. With the outbreak of COVID-19, the pandemic brought back the focus on 'Hygiene'. The concern around employee safety and health at work, gained paramount importance. Considering these situations, Ramco Systems unveiled an integrated facial and temperature recording technology-based Time & Attendance Software to help companies' better screen and protect their employees while recording Attendance.

All other initiatives around Education, Driver Care and Tribal Welfare are achieved through the group's CSR initiatives.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

CSR initiatives were undertaken through an agency.

3. Have you done any impact assessment of your initiative?

Impact assessment will be undertaken in due course.

4. What is your Company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken.

The Company has spent Rs.12.21 Mln. towards its CSR commitment. Please refer Annual Report on CSR - Annexure V to Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

With increasing challenges associated with technology, growth and business performance, the Company has been constantly driving process efficiency, flexibility and boosting productivity to support our clients' changing business requirements.

Principle 9 (P9) - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no customer complaints which will have any major business impact.

Ramco provides product and implementation support to its Clients and Partners. It uses a ticket management tool to track and address all the technical issues raised related to product and/or implementation. By leveraging Artificial Intelligence driven Virtual Assistant which uses Deep Learning and Natural Language Processing to simplify day-to-day HR activities, the Company has also rolled out its Customer Bot – Ramco CHIA, to address customer queries. A governance mechanism is agreed with the Client upfront, at the start of the project and all project related issues (technical and non-technical) are addressed through these forums.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Ramco deals in software products and all relevant product and technical information are made available to the Prospect/Client in a written proposal and/or statement of work or the Contract.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases are fled by any stakeholder against the Company.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes. Ramco does undertake customer satisfaction surveys from time to time.