ramco

May 25, 2022

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor
Plot No:C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip: RAMCOSYS

BSE Ltd.,
Corporate Relationship Department
Phiroze Jeejheebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip: 532370

Dear Sir/Madam,

Sub: Con-Call transcript of Analyst/ Investor Meeting held on May 19, 2022
Ref: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our intimation dated May 16, 2022, regarding analyst/ investors call, please find enclosed the gist of the points discussed in the Con-Call held on May 19, 2022 and the fact sheet as on March 31, 2022.

The aforesaid intimation is also being hosted on the website of the Company www.ramco.com.

Kindly take on record the same.

Thanking You,

For **RAMCO SYSTEMS LIMITED**

RAMCO SYSTEMS LIMITED CHENNAI 600 113

VIJAYA RAGHAVAN N E
COMPANY SECRETARY

Encl: Gist of Call and the Fact Sheet

“Ramco Systems Limited
Q4 FY2022 Earning Conference Call”

May 19, 2022

ANALYST:	**MR. ANMOL GARG - DAM CAPITAL ADVISORS LIMITED**
MANAGEMENT:	**MR. P.R. VENKETRAMA RAJA – CHAIRMAN** **MR. SANDESH BILAGI - CHIEF OPERATING OFFICER** **MR. R. RAVI KULA CHANDRAN - CHIEF FINANCIAL OFFICER** **MS. GAYATHRI R - VP FINANCE** **MR. VIJAYA RAGHAVAN NE - COMPANY SECRETARY**

Moderator: Ladies and gentlemen, good day and welcome to Ramco Systems Limited Q4 FY2022 Earning Conference Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anmol Garg from DAM Capital. Thank you and over to you, Sir!

Anmol Garg: Thank you. Good afternoon everyone. On behalf of DAM Capital, we welcome you all to Q4 FY2022 conference call of Ramco Systems. Today, we have with us, Mr. P.R. Venketrama Raja, Chairman of the company. Mr. Sandesh Bilagi, COO, Mr. R. Ravi Kula Chandran, CFO, Mrs. Gayathri R., VP Finance and Mr. Vijaya Raghavan NE, Company Secretary. So, without any further ado, I will hand over the call to Mr. Venketrama Raja for his opening remarks. Thank you and over to you, Sir!

Chairman: Good evening everybody and thank you for joining the call. As you can see, we have had a challenging year in Ramco Systems. As we have explained in the previous quarters, it was because of fall in the Asian market, but we used this time to really consolidate all our operations and improve our customer interactions and stabilize the workforce, which was also facing a lot of attrition due to the market condition. All that is now coming under control and we can see the green shoots happening. In the coming quarters, we expect getting back to normalcy in the one or two quarters and that is the good news. We thank you all for showing the patience in rebuilding and revamping the whole system. We look forward to the questions you are going to ask later. Now, COO will takeover and give you the update on what is happening and viewpoints.

COO: Good evening everyone. You would have seen the results. Our order booking for the quarter declined to USD 11.82 million, which was USD 13.55 million in the previous quarter, which is one of the low ebb and consequently for the year also, similar low numbers you will see in both order booking and in revenue. Booking for the year had come down to around USD 64.78 Mln., in comparison to year 2020-21, which was around USD 109 Mln., the main reason, which as explained was weakness in the Asian market because of the COVID and lock down and the way the market operates.

Traditionally around $38 million to $45 million we used to book orders per year from Asia, which had come down last year to USD 22 million and in current year we ended with around $12 million in order booking. We are now seeing the Asian market opening up, with a good amount of traction building up. Though we indicated in the last quarter call that it is going to take three to four quarters for us to completely get back, it looks like we should be able to start showing better booking from coming quarter itself, a bit earlier. So we should be seeing booking to start improving from coming quarter. The order booking for the Q1 of FY 2021-22 was USD 19.74 Mln., and it came down to USD 19.67 Mln. in Q2, and to USD 13.55 Mln., in Q3 and then to USD 11.82 Mln. in the last quarter.

So for us, it was very important to actually first stem this downward trend, stabilize and then start moving back to USD100 million plus order booking per year. That is what our team is working hard and we are feeling that we should be able to swing and start going upwards from here. We are confident about that and looking by the order position for the Q1 and Q2 we are optimistically cautious that we are moving in right direction and it should start showing better booking results from coming quarter. The revenue moved from USD 19.23 Mln. in Q1 to USD 19.15 Mln. in Q2 and then to USD 17 Mln. In Q3 and in Q4, we clocked USD 16.59 Mln. In spite of these things, we were able to manage our operations without borrowing - in fact we repaid Rs.10 Crores of borrowings in Q4, which we had at the end of Q3.

That was possible because of the significant impetus, which we had on the operational excellence, which resulted in higher billings to the customer, more go lives and at the same time, better utilization of our resources toward the execution. So, in spite of this decline, we were able to close the year with zero borrowing.

Now, on some of the areas of the operational parameters and pipeline, I would probably go towards that to showcase where our confidence is stemming from and why we believe we are in recovery mode and we should be able to bounce to the level what we were booking. At the peak of 2019-20, our borrowing was Rs.96 Crores, which dropped to zero next year and maintained that year after also. We would like to remain at the near zero borrowing in the coming year, though there might be intermediary short-term borrowing, while we are reconstructing the business and bringing it to growth.

On Unbilled revenue, you can see the significant improvement we have made due to quick go live - turning the projects into live quickly and moving away from deferred payment model for licenses to annuity model - basically near cash recognition. These have resulted in the improvement. Unbilled revenue which was at peak in Q3 FY2020-21 around USD 50 million, dropped to USD 45 million in Q2, then to USD 41 million in Q3 and currently in Q4 to USD 36 million, which is a direct result of the operational efficiency which I was talking about. This is the second parameter.

I would draw upon some project governance what we have put in place. There were around 20% of our projects in kind of watch mode and currently over 80% of our projects are in the green status and that gives us the confidence that the execution capability on what we were working is in right direction.

From the pipeline perspective, in the last two quarters, we have invested in market building activity - that is both on the people on the ground and on expenditure on marketing - which we have enhanced, which is showing some results. Also we made investment in our US Defense subsidiary and result of that also is seen in the pipeline for aviation, which is over 75% increase year-on-year. Similarly, the investment made in Europe and moving people back to Asian countries have increased our traction and we are seeing that in the pipeline building nicely both for Q1 and Q2. We should be able to come back from the lows what we have seen in the quarter.

Regarding the pipeline in the HRP area, where we have Workday and Oracle partnerships, that continues to grow from strength to strength and we have seen some really marquee global names appearing in our closure list now. We were seeing pipeline in last two quarters and they have started moving towards closure and we are able to see some global fortune customers in that list and which should only strengthen moving forward, because we had only one country certified in last quarter for Workday and we have now seven countries certified for the global connector for Workday. Similarly with Oracle also, we are making good progress on building for most of the countries what we have on our platform.

The recurring revenue is flat at USD 8.04 Mln.; however, the recurring revenue is witnessing a good 25% CAGR in HCM recurring revenue, which in 2016-2017 used to be around USD 5.15 million, growing to USD 15.09 million for year 2021-2022. So we will continue to look for increasing our annuity revenue - we discussed in the last investor meeting that we would attempt to iron out the spikes which comes because of the license revenue as far as possible, to see that we increase our annuity revenue and perform good and healthy percentage of our total revenue. That is what is our attempt is and it looks like we are steadily progressing towards that goal.

From the perspective of attrition, we were also struggling with the attrition like other players in the industry, which resulted us making some moves in the area of retaining talent – by way of granting ESOP and other things which we did in the last two quarters. It is showing the results and we are confident the level of attritions what we are seeing, will start improving in the coming quarters and that already showing some green shoots and signs of that being working.

So with all these areas - the investment, the focus on the execution, the markets opening up in the Asia and elsewhere, the investment made in the other geographies - all put together we should be in a decent shape with the immediate coming quarters and next year should start bringing us back to the number where we had left pre-COVID. With this, I would like to open this forum for questions and answer session.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session.

Question: I had a couple of questions, firstly, I missed your comment what you said on the update on the Workday connector side. Any update you want to share what is happening? We were expecting for the last three quarters that once this connector is done, then there would be a significant pipeline that could come from this business. But we have not seen that shaping up, while the revenue in this part of the world has been really well in this area. So any colour on that or any update on that will be helpful?

Answer: On the Workday front my update was that in January it was one country we had the certification completed. We have progressed to additional seven countries in this quarter. Most of those countries are in the Asia and we continue to get more and more connectors moving forward. That was the first response to your first question. Second, how Workday revenue in the region is showing the uptick? We are not seeing that in Ramco. If I understand correctly, there are two things to it. We have seen the pipeline increasing in the Workday area and typically what happens is - first the HCM areas go live and then the tail end of that will be payroll and that is why we are getting ready and that is why we had built up the connectors for integration and utilization of payroll which will be easier in Workday. It continues to be our confidence that it will increase our revenue moving forward. We are seeing good traction in the region and in fact we have closed couple of orders also within this 12 million – they were part of Oracle and

Workday related. There are some large deals also, which should convert it coming quarter. We are seeing the traction in both Oracle and Workday.

Question: Secondly, from booking perspective, the booking that we are seeing is kind of a multi quarter, multi year low kind of a thing and we been repeatedly talking about Asia being the key concern factor for you. Is this more about immigration kind of a challenge / travel restriction being a major challenge or have we seen a significant attrition on the key member side which is causing this kind of an impact?

Answer: It is more of immigration related, countries were closed and people were not actually meeting and in Asian countries, traditionally digital business do not happen. People meet in person and that is when the decision starts moving and it is common in most of the Asian countries and that is what added to our slowdown. Now most of the countries have opened up immigration wise, also within country as well, so from that we are seeing the good traction and that is where our confidence stems from the activity what we are seeing on the ground.

Question: So, essentially what you are trying to say is that in the last couple of months maybe starting March when most of the Asian countries were relatively relaxing, you have seen some traction already building up, which gives you confidence that growth will be better in FY2022-23?

Answer: Correct, I think that is exactly what we are saying, since March countries have started opening up excepting Greater China and Hong Kong. In most of the other countries, the activities are returning to normalcy by travel within countries. We are seeing the dormant deals starting to move. People are engaging and that has started moving in the right direction. That is what we see in coming quarters, it should start picking up the pace and return to normal area where we left earlier.

Question: From FY2023 perspective, what could be the key business drivers? We have seen that the revenue has declined materially in FY2022, so do we feel FY2023 could be a very strong year, because this was not impacted by more from a demand perspective but from a different kind of factor. Do we see the pent up demand will be enough to cover up for the revenue loss opportunity that we had in 2022 and which may also result in that we can turn profitable in FY2023, do you see that as a possibility?

Answer: Out attempt is to do that, because of the quarters and years we had, I think cautiously we would say the first step would be to come back to where we were and then this year we would like to utilize that to turn the tide and start on the growth journey and consolidate our position and project excellence and stability and other things which we spoke about and prepare the entire organization for big growth. So it might as well be that the first two quarters will determine which way it is, what speed the economies are opening up and if it is, then we can see. But it depends upon the speed at which we see countries opening up and then any geopolitical area does not kick back any further, then that is a possibility.

Question: What you are essentially saying is that the first objective would be to reach the peak revenue run rate, of USD 18-21 million kind of a run rate in FY2021. Is that the first goal post, is that the understanding?

Answer: Yes, first goal post would be to booking wise, we have to go back to number of USD100 million plus order booking - that is the first goal we are targeting. Then consequently, revenue wise there will be two things, one there will be some quarter gap from booking to billing. So immediately to reach to that one, will take one or two quarters - lag will be there. The other, as mentioned, we are moving away from the revenue recognition based on deferred payment model - we explained it in the last investor call also - which we have converted into now more of annuity and recurring business, month-on-month billing we do, rather than recognizing upfront. So from that there will be some impact. Hence the right direction to see is actually the order booking - how quickly and how fast that is bouncing back and what quantum we are looking. That will be the better indication in the short term currently.

Question: Sir, revenue part I can understand. Upfront sale in a quarter or month you would have some revenue impact, but this USD100 million goal post on the booking side in FY2023 - do you thik we can achieve that?

Answer: That is what we will be targeting. If you see from current year of USD 62 million, I think that it is what we are looking for, that will be a good and significant growth what we will be looking forward for.

Question: My understanding was you were trying to pivot the company and you have cracked the helicopter, aviation, HRP products, ERP for digital transformation and there are four to five products you are trying to go across the world. So I am surprised that your order bookings are not like earlier- - let us say due to Asia is closed. Are you not able to find other places with so much pivoting of the company in the last four years? Why our products are not getting traction in other markets? That is my first question.

The second question is, can you throw light which products are actually gaining with your fortune because in the last four to five years we have done a lot of new things and it will be confusing to see in each quarter a new vertical being told that this will happen and that will happen. I am not blaming, I am just trying to improve my understanding. How to look at the company, which products are gaining traction, why are we not able to sell the same product in other markets when the Asia is closed down?

The third question is if it continues like this, as a company, don't we think that we will lose good talent because with the kind of digital transformation tailwinds that is across the world, if people do not see growth in our company, don't we think it is a structural setback for us?

Answer: First question - Our Payroll engine is built for 61 countries and 90% of those 61 countries are in the Asia Pacific region and Middle East. That is the region where majority of the payroll actually we have built and that is where we have a strong position as well. Unfortunately that area itself got impacted and there is no diversification anyway you could make because that is what our strategy also has been. Our catchment area for the Asia Pacific region is American companies in Asia & European companies in Asia. We have in the period of COVID also we pumped in some investment to see that we pick up the deals here, in which moderately we have been successful, but unless the market opens up, we could not improve. So that is now opening up and we are confident that we have not lost any ground there. We should be able to get back from the payroll perspective.

Second your question on which of the product where we are seeing the traction, I think we are very consistent in saying which are the product lines we are focusing in. We have said payroll globally we will be focusing - number one and aviation and defense is the second vertical and in the third vertical in the ERP segment, logistics and Service Resource Planning (SRP) and maintenance related area for the ERP for the digital transformation - these are the areas within the ERP segment we are focusing. There is no change in our focus and our investments are in fact completely streamlined and we are sharply focused on this. For payroll, I explained to you which are the catchment area and which are our area which we are focusing. Similarly, the investment which we made to foray into defense area in the US is not a diversion from our stated objective, rather it is to enhance our access and market penetration in the area, which we are indirectly participating and now we want to directly participate in defence segment. So there is no diversion; it has to only pick up higher traction into the area which we had stated.

The area of aviation and defense have large complex projects and we have actually made some very significant breakthroughs in very critical areas. Now what is happening is, since such products were not available in the market and people thought it is extremely difficult to do, people actually waiting for some of these projects to go live, before we start getting the enquiries and many more closure of this product. We think in this year 2-3 critical projects go live; then we expect the aviation and defense market also to pick up significantly. That is also a good area because our product is extremely strong in that area. So it is the question of the market getting the confidence, because these are extremely complex applications and the market needs validation and that is the stage we are in.

Question: Can you just throw light on attrition? Another thing, if not quarterly at least yearly, if you can give a table where what are the pipeline in each product, what are the markets, where are we gaining traction, who are the competitors at least yearly if not quarterly (because quarterly there will be a lot of variations), so that we can understand where we are. Even some commentary if you can put up a table like other IT products companies are doing (like Intellect Design which is an Indian company, where you can actually see the presentation there). So it would help us more understand the go to market and what is the stage, target like just explained that there are complex project, which once are successfully implemented, once they go live. So if you can give us the direction that this is there for each kind of product and the investment into different products, so that we understand who are your competitors, at what stage the product is, something they may be in build stage, something may be already gaining traction, something would have gained leadership on each go to market, end market and competitors, yearly how many deals we tried and how many we won and lost, so that it gives us an idea about some predictability. To stay invested I think this data would help us because we do not know bad things externally that went wrong; at least with this thing it would help us long term investors to stay during bad time.

Answer: I get your point and that is a very good idea. We will try to work at it and see whether we can give an initial colour on this - may be in the coming quarter, give you the details and then maybe we will do it once a year or so.

Question: On the attrition?

Answer: Attrition wise, the key core group of talent remained with us, that was not an issue at all. The core group of talents and people with IP and everything, they are very committed to the product and very passionate. We did take care of them very well and the core group remained with us. We did have attrition like the industry in the lower ranks with two to three years experience, we did experience a lot of attrition and so that was a problem. But we did aggressively recruit and at least started creating a buffer, unlike previous years where we used to go exactly as required. We have started recruiting more than required, so that we create a buffer and we start training them. That process is on. The salary structure revision and everything was given now, that this quarter attrition seems to have stabilized quite dramatically. The final numbers will come at the next month or so. Maybe in the next quarter, we can share attrition rate, but it has dramatically changed. I also hear in the market that there is slowdown in the start up recruitment and that is also helping.

Question: ERP digital transformation deals that we had past two years ago - should I assume that this is the same thing that we have to go live, create references and then start seeing more order booking – is it at the same stage?

Answer: There are few major implementations we are doing now and it is pretty large. For one of the conglomerates, across eight or nine of their companies. As you know, DLF first phase we have gone live, the second phase we have to go live. Then in Malaysia, we are doing a very big implementation across five or six ports, with complete digital transformation, replacing about 20 different products into one platform of us. All these are on full swing. So one of the things when we revamped was to make sure that the customer delight is better, and execution is better. Another decision we made was let us not take new orders still we streamline all our operations, which we also put on hold for about five to six months. That is why we told you that it will take three to four quarters to come back. Now all that we are opening up stage by stage for each product line and now we can start marketing, go ahead with booking orders. If we did not get new orders, we would not be able to implement them, because they were overall large project and it was consuming all our people, so resource restriction also was there.

Question: So, you are positive on this ERP digital transformation, HRP, aviation and logistics - all the four lines in long run - will show results?

Answer: Yes, we are hoping and we have been at it. as you know and logistics also same issue large implementation is going on and things like that, now we are opening up the marketing for all these three, four lines now and we can see green shoots in the first quarter and we hope we can come close to at least last year same quarters booking and that is our hope. If things get better, we can even do better than that. That is what we are working towards this quarter and then from there, we will know exactly how the rest of the year is going to look. So the coming one or two quarters are critical on how the market is opening up and how we are able to now start addressing it again. The important thing to know is that there was a fundamental inward looking transformation on making sure that operations are better and I think we have actually improved our operations and implementation and customer orientation, quite a bit, but the more significant improvement from my point of view has to be made, which is going on now. Given all this, our confidence is much deeper than it was ever before, though we were also a bit worried one quarter ago. For this quarter, our confidence is actually looking better.

Question: Thank you very much for the detailed answer and it you do not mind, if you can put that yearly once data / table about competitors, deals etc., that will help us.

Answer: Yes, we will do that, will check what others also do.

Question: Can you quantify the attrition rate which you mentioned in Q4 and for full year FY2022, if it is possible for you?

Answer: I think we are at the same industry average of around 30% in attrition, which was a problem. The trend looks like - I think that should be better.

Question: Any guidance you would give for revenue if it is possible for you for FY 2023?

Answer: I do not want to give that - maybe we will see how this quarter goes, then we can probably discuss it, because I do not want to promise something. All I can say is - this quarter is looking much better than the last two, three quarters.

Question: Any major markets we are targeting apart from Asia Pacific for all of the products?

Answer: Yes, we are targeting Americas and Europe for aviation and defense. Another good news is Middle East used to be very dormant. Now with oil boom there, Middle East has suddenly picked up, so, that may start doing better than expected.

Question: So any major business we expect from Middle East and Americas or is it the Middle East will be the one?

Answer: As you know, our order size is usually now running to USD1-2; quite a few such orders coming.

Question: Any major headwinds do you foresee? Can you pls highlight the major headwinds you foresee for future?

Answer: The only major headwind will be any stagflation happening in the western market because of Ukraine, if that happens and things starts slowing down, ie. basically the macro economic headwinds is what we are looking at.

Question: On defense you said that we are looking for one implementation, so have we already started? That can really showcase our capability, so what is there in the defense?

Answer: Basically what is happening is, if you take aviation, we have very good showcase implementation in certain areas like in helicopter and line maintenance. The most complex area of aviation implementation is engine maintenance, engine and component maintenance. There our implementations are going on and these are very critical for us, to start opening of the market in a much bigger way. That is what we were trying to say.

Question: So, what stage we are in implementation and when do we expect that implementation will be able to showcase?

Answer: Towards the end of next quarter. Going on for last one year and it is in the final stages.

Question: Which geography?

Answer: Asia, Europe and America also.

Question: On bad debt provision, so how much do we expect in FY2023 again, the same of FY2022 or what kind of visibility we have?

Answer: That we have already explained this, we expect this to continue at the same level for this year.

Question: So, when decline is expected?

Answer: In a year or so - in FY2022-23 we will see the same amount of quantum of provisioning.

Question: Any colour on the tax rate? I mean all the subsidiary which are incurring loss and hence our tax rate is very high? So how do we really understand that?

Answer: The tax rate is higher than the figures in last year FY2020-21, where we had a good bottom line. If you see this year, in India, there is no taxation provision because we do not have a taxable income; there is no MAT. In fact, we have taken deferred tax credit. That way if you compare last year with this year, the numbers may not be comparable in tax percentage terms. We have few subsidiaries - US and Philippines - where we have taxable income and we provided tax there.

Question: My question is once our entity become profitable again, so in that scenario?

Answer: Normal tax will be subject to accumulated loss - if we have book profit next year or so, we will be subject to the same 20% MAT.

Question: My question is now what will be ETR for the whole entity once we become profitable?

Answer: ETR we have explained in person also. ETR is not a comparable thing in our case because in some subsidiaries you have profit, some incur loss; when you consolidate, you get a net profit or net loss and but the tax rate is applicable to each country; so that way you can see average 40% or can be 20% also. What is important is every country average comes to 30%, in India if you have only the book profit will be having MAT to 20% with surcharge can come to 21%, so it will even out; assuming all subsidiaries makes profit and India also makes profit, we will be in the range of close to 30% ETR.

Question: Trying to understand from payroll vertical perspective. From a Asia market perspective, what would be the market potential in terms of the size and how much we have penetrated so far and if you can help some clarity on that front?

Answer: I think market perspective for the Asia Pacific, we estimate that around USD 26 billion of addressable market for payroll, which either from the Asian companies here or the global companies having the operation in Asia - that is the market size if you see from the reports of the Gartner and others. Whatever assessment we have made, that is what is the market size and this market is actually growing at 5% CAGR currently and witnessing growth and why we are bullish also is because the workforce in this geography is actually increasing significantly for most of the global companies, but for COVID there were some decline as reported in some of the countries, but it should pick up and again come back on growth for the numbers as well.

Question: In each of these verticals that you have mentioned that you would be focusing more on aviation, defense, logistics and of course payroll. Who would be the nearest competitors as such in the market in terms of growth?

Answer: Actually for each vertical, there is different competition which we see. As market leader for payroll, globally we see ADP and some regional players as we go into each of the regional clusters, that is where we compete more.

In case of aviation, there are multiple different competition depending upon which of the segment we are competing - either airline or MRO or heli segment. In fact heli segment, we lead and I think we do not see much competition there. Apart from that, there are two, three other players AMOS, IFS and others in aviation. Sometimes, SAP is also into large airline & MRO base we see. There are different competitions for different market segment for the aviation.

In case of ERP, you can assume the market leaders as Oracle, SAP.

Logistics, in 3PL area - mostly we do not see global players. It is more by local players because it is a very niche area and mainly for the logistics service providers. That is where we cater both for WMS and EMS and also rating, billing and related back office operations. Most of them are local players what we see in that segment.

Question: So, you mentioned that all the initiatives for turnaround what you have been implementing so far and all could take you back to that $100 million order book pipeline by end of this FY2023. Assuming it happens - just trying to understand you said - the objective is to go back to what you are in pre-COVID period. From that perspective, assuming that things turnaround and look bright, and you start reporting good pipeline and revenues, so what is the gross profit margin that we can expect? I mean any ballpark figure? Internally what is the number you are going with, can you please throw some inputs on that front and from an expense perspective how are you going to handle that?

Answer: It is difficult to give gross profit margin, because most of our expenses are fixed. Assuming we are able to book desired booking and there are good revenue, we will even touch 20% EBITDA. For some reason like we had this year, if there is a drop in revenue, with the expenses remaining the same, we will be in the negative zone. So we could not specify on the gross margin, but project wise we normally desire close to 30% margin.

Question: How is Gartner ranking our product among the other competitors and how many fortune 500 to 1000 companies are we pitching the product and what is the kind of pipeline for sale looking like you know how many people do you pitch on a quarterly basis and what is the conversion rate?

Answer: Gartner does not cover the aviation portfolio. For payroll, Nelson Hall and Gartner cover the quadrant and we are in the leader quadrant in both of them. In case of logistics, for this particular segment LSP, there is no quadrant. But we are so niche that probably we will be appearing in the quadrant if there was one. In terms of ability to execute, we will be in a higher level and with respect to the scale in a lower level that is how I see where our position would have been if there were any quadrant for LSP. Your second question was what is an average positioning we do for the fortune 500 companies and what is the conversion ratio, we do not maintain on that one. But from the payroll perspective, whenever we are go for the multi country operations which is more than five to ten countries, which is our target market, you can very well assume that is mostly going to be fortune 500 only, wherever there is a multi country operation with a huge headcount almost most of the pitch what we are making is for fortune 500. In fact, some of them will be fortune 100 right now. In the coming quarter when we announce probably we should be able to announce some of the fortune 100 as well.

Question: Are we being approached by other companies to sell our product on an ongoing basis or acquire the entire company or so?

Answer: No, not from the acquisition perspective. Big four consulting companies are partnering with us to use our platform to provide services to their end customers. That is happening. In fact, three of the four large global consulting companies are using our platform to provide payroll services to their end customers. Some of them have crossed also 50000 plus headcount on our platform and continue to grow. That we see in all geographies that is happening. But from acquisition perspective, that was not on-call.

Moderator: Thank you. Due to time constraints that was the last question for today. I would now like to hand the conference over to management for closing comments.

Chairman: We thank all the participants and for all the questions were helpful. Hope we have clarified. We hope to meet you soon in the next call. Thank you.

Moderator: Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

After this, the meeting concluded.

Note: This is not an exact transcript of the call. We have made best efforts to capture the essence of the call. The voice modulations and the vocal emphasis cannot exactly be translated. For any clarifications, please reach out to: R. Ravi Kula Chandran at rkc@ramco.com.

FACT SHEET AS ON 31ST MARCH 2022

CONSOLIDATED INFORMATION

Figures in USD Million, except where stated otherwise

	Quarter Ended								Year Ended			
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar.31, 2022	Mar.31, 2021	Mar.31, 2020	Mar.31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited $	Audited $	Audited $	Audited $
REVENUE - STREAMWISE												
Recurring	**8.04**	**8.44**	**8.00**	**8.15**	**8.39**	**7.86**	**7.80**	**7.26**	**32.64**	**31.30**	**27.26**	**22.43**
AMC / Subscription	*5.26*	*5.55*	*5.37*	*5.49*	*5.85*	*5.53*	*5.52*	*5.05*	*21.66*	*21.94*	*20.11*	*18.05*
BPO Services	*1.72*	*1.68*	*1.52*	*1.51*	*1.46*	*1.42*	*1.37*	*1.36*	*6.43*	*5.60*	*4.29*	*2.93*
Hosting Charges	*1.06*	*1.22*	*1.12*	*1.16*	*1.09*	*0.91*	*0.91*	*0.85*	*4.55*	*3.76*	*2.86*	*1.44*
Non-recurring	**8.55**	**8.56**	**11.15**	**11.07**	**12.20**	**15.49**	**13.75**	**12.18**	**39.29**	**53.62**	**53.77**	**55.93**
License	*1.21*	*1.42*	*2.43*	*2.66*	*2.81*	*6.63*	*5.25*	*3.86*	*7.69*	*18.56*	*17.14*	*27.92*
Service	*7.15*	*7.03*	*8.63*	*8.35*	*8.32*	*8.64*	*8.29*	*8.30*	*31.14*	*33.55*	*36.18*	*27.28*
Resale of Material	*0.20*	*0.12*	*0.09*	*0.06*	*1.07*	*0.22*	*0.21*	*0.02*	*0.46*	*1.50*	*0.44*	*0.73*
TOTAL	**16.59**	**17.00**	**19.15**	**19.23**	**20.60**	**23.34**	**21.56**	**19.44**	**71.93**	**84.92**	**81.03**	**78.35**
REVENUE - BUSINESS UNITWISE												
ERP	4.78	4.84	7.03	6.97	7.08	9.03	8.48	7.16	*23.57*	*31.74*	*32.00*	*28.12*
HRP	6.52	6.33	6.30	6.41	7.24	6.49	7.64	6.24	*25.55*	*27.59*	*30.26*	*30.70*
AAD	5.30	5.83	5.83	5.85	6.28	7.83	5.44	6.05	*22.81*	*25.58*	*18.77*	*19.53*
TOTAL	**16.59**	**17.00**	**19.15**	**19.23**	**20.60**	**23.34**	**21.56**	**19.44**	**71.93**	**84.92**	**81.03**	**78.35**
REVENUE - GEOGRAPHYWISE												
Americas	3.97	4.74	4.63	4.63	4.35	5.50	4.41	5.59	*17.97*	*19.87*	*14.43*	*17.26*
Europe	1.07	0.94	1.01	1.09	1.84	1.92	0.53	0.48	*4.11*	*4.75*	*2.51*	*2.05*
APAC	5.20	5.58	6.03	6.63	7.00	7.84	9.72	6.94	*23.42*	*31.50*	*35.13*	*32.27*
India	3.95	3.70	5.21	3.85	5.23	6.29	4.42	4.26	*16.71*	*20.18*	*20.28*	*16.07*
MEA @	2.41	2.03	2.27	3.02	2.18	1.79	2.47	2.18	*9.71*	*8.62*	*8.67*	*10.71*
TOTAL	**16.59**	**17.00**	**19.15**	**19.23**	**20.60**	**23.34**	**21.56**	**19.44**	**71.93**	**84.92**	**81.03**	**78.35**
BOOKING - BUSINESS UNITWISE												
ERP	3.59	4.30	6.08	6.61	7.15	4.79	12.99	7.05	20.58	31.98	26.70	38.75
HRP	6.43	7.01	8.98	4.76	9.43	15.66	8.18	6.73	27.18	40.00	44.25	47.52
AAD	1.80	2.24	4.61	8.38	6.94	17.95	5.37	7.58	17.03	37.85	19.54	30.65
TOTAL	**11.82**	**13.55**	**19.67**	**19.74**	**23.52**	**38.40**	**26.53**	**21.37**	**64.78**	**109.82**	**90.49**	**116.91**
UNEXECUTED ORDER BOOK #	**174.10**	**185.44**	**189.72**	**189.33**	**182.67**	**177.77**	**164.90**	**163.99**	**174.10**	**182.67**	**166.55**	**166.00**
CUSTOMER METRICS												
Revenue from New Customers (%)	13%	10%	8%	10%	29%	31%	20%	18%	*10%*	*25%*	*19%*	*33%*
Revenue from Cloud orders (%)	47%	51%	46%	51%	43%	44%	36%	37%	*49%*	*40%*	*38%*	*39%*
Number of new customers added	10	7	12	12	14	9	15	12	41	50	50	80

$ Figures, other than revenue, are unaudited.

Unexecuted orderbook comprises of new orders , renewals, reversals & adjustments for the base foreign currency rates in the current financial year.

@ Middle East and Africa (MEA) includes South Africa.

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