

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

**ABN 15 159 974 946**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Financial Report**

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**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**DIRECTORS' REPORT**

The directors present their report together with the financial report of Ramco Systems Australia Pty Ltd and its Controlled Entities, Ramco Systems Australia Pty Ltd, New Zealand Branch (collectively hereafter referred to as "the Group") for the financial year ended 31 March 2021 and the auditor's report thereon.

**Directors**

The names of directors of the company in office at any time during or since the end of the financial year are:

Pusapadi Ramasubramania Raja Venketrama Raja  
Virender Aggarwal  
Ravikulachandran Ramamurthy  
Raghuv eer Sandesh Bilagi

Directors of the company have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Results**

The loss for the group for the financial year after providing for income tax amounted to \$785,792 (2020: Loss \$6,523,913).

**Review of Operations**

The group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant Changes in State of Affairs**

There were no significant changes in the state of affairs for the group for the year.

**Principal Activities**

The principal activity of the group are mainly to carry on the business pertaining to, or connected with and involving information technology and software. No change in the nature of these activities occurred during the year.

**Events After Balance Sheet Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

**Significant Events during the Year**

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 Group has, based on the 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 Group, there is no material impact in respect of these in the preparation of the financial statements. However, the impact of Covid-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to monitor the uncertainties caused by Covid-19 to assess the impact on our future economic conditions.

**Likely Developments**

The group expects to maintain the present status and level of operations.

**Environmental Issues**

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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**DIRECTORS' REPORT**

**Dividends Paid, Recommended, and Declared**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

**Options**

No options over unissued shares or interests in the group were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

**Indemnification of Officer**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the group.

**Proceedings on Behalf of the Group**

No person has applied for leave of Court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of those proceedings. The group was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

The following non-audit services were provided by the group's auditor and/or related entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

MCG Partners and/or its related entities received or are due to receive the following amounts for the provision for non-audit services during the year ended 31 March 2021:

Taxation and Payroll Compliance	\$ 44,980
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Signed in accordance with a resolution of the Board of Directors of the Group.

**Director**



\_\_\_\_\_  
Dated this 10th day of May 2021

**Director**



\_\_\_\_\_  
Dated this 10th day of May 2021

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 \$	2020 \$
Revenue from operations	2	9,977,043	8,961,649
Finance Income		235,086	301,156
Other Income		515,181	-
<b>Total Revenue</b>		<b>10,727,310</b>	<b>9,262,805</b>
Purchase of stock-in-trade		(9,170)	(92,400)
Royalty		(1,171,663)	(913,531)
Transfer pricing		(1,528,176)	(1,462,998)
Employee benefit expenses		(6,062,039)	(5,791,234)
Finance cost		(789,747)	(1,132,950)
Depreciation and amortisation expenses		(206,203)	(212,088)
Other expenses		(1,708,178)	(6,178,925)
<b>Total Expenses</b>		<b>(11,475,176)</b>	<b>(15,784,126)</b>
<b>(Loss) before Income Tax</b>		<b>(747,866)</b>	<b>(6,521,321)</b>
Income Tax (Expense)		(32,881)	-
<b>(Loss) for the year</b>		<b>(780,747)</b>	<b>(6,521,321)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
Other Comprehensive Loss (Translation Loss)		(5,045)	(2,592)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(5,045)</b>	<b>(2,592)</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
<b>Members of the Entity</b>		<b>(785,792)</b>	<b>(6,523,913)</b>

The accompanying notes form part of these financial statements

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	88,956	82,187
Trade Receivables	5	2,306,086	3,155,967
Other Current Assets	6	963,531	319,584
Other Financial Assets	7	1,406,928	1,401,269
Sundry Assets	8	20,985	18,268
<b>TOTAL CURRENT ASSETS</b>		<b>4,786,486</b>	<b>4,977,275</b>
<b>NON-CURRENT ASSETS</b>			
Other Current Assets	6	99,428	161,776
Other Financial Assets	7	2,813,424	5,083,342
Plant and Equipment	9	209,006	245,285
Right-of-Use Assets	10	276,824	550,588
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,398,682</b>	<b>6,040,991</b>
<b>TOTAL ASSETS</b>		<b>8,185,168</b>	<b>11,018,266</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	11	2,723,368	3,481,794
Other Current Financial Liabilities	12	76,898	472,047
Provisions	13	80,071	40,038
Other Current Liabilities	14	1,131,068	825,249
Liabilities for Current Tax		32,219	-
Lease Liabilities	15	101,642	129,113
Borrowings	16	10,840,572	12,680,161
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,985,838</b>	<b>17,628,402</b>
<b>NON CURRENT LIABILITIES</b>			
Trade Payables	11	203,032	275,252
Other Current Financial Liabilities	12	171,740	37,483
Provisions	13	1,774,384	996,787
Lease Liabilities	15	211,894	456,270
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,361,050</b>	<b>1,765,792</b>
<b>TOTAL LIABILITIES</b>		<b>17,346,888</b>	<b>19,394,194</b>
<b>NET LIABILITIES</b>		<b>(9,161,720)</b>	<b>(8,375,928)</b>
<b>EQUITY</b>			
Contributed Equity	16	16,393,000	16,393,000
Accumulated Losses	17	(25,554,720)	(24,768,928)
<b>TOTAL EQUITY AND RESERVES</b>		<b>(9,161,720)</b>	<b>(8,375,928)</b>

The accompanying notes form part of these financial statements

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

**ABN 15 159 974 946**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Contributed Equity \$</b>	<b>Retained Earnings \$</b>	<b>Currency Translation Reserve \$</b>	<b>Total \$</b>
<b>Balance at 1 April 2019</b>	<b>10,378,000</b>	<b>(18,245,015)</b>	<b>-</b>	<b>(7,867,015)</b>
Loss attributable to members of the entity	-	(6,521,321)	-	(6,521,321)
Shares issued (6,015,000 @\$1 each)	6,015,000	-	-	6,015,000
Foreign currency translation	-	-	(2,592)	(2,592)
Total other comprehensive income for the year	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>16,393,000</b>	<b>(24,766,336)</b>	<b>(2,592)</b>	<b>(8,375,928)</b>
<b>Balance at 1 April 2020</b>	<b>16,393,000</b>	<b>(24,766,336)</b>	<b>(2,592)</b>	<b>(8,375,928)</b>
Loss attributable to members of the entity	-	(780,747)	-	(780,747)
Foreign currency translation	-	-	(5,045)	(5,045)
Total other comprehensive income for the year	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>16,393,000</b>	<b>(25,547,083)</b>	<b>(7,637)</b>	<b>(9,161,720)</b>

**The accompanying notes form part of these financial statements**

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		11,378,881	9,477,109
Payment to Related Parties		(2,808,213)	(5,321,656)
Interest Received		864,504	301,222
Finance Costs		(753,372)	(1,132,950)
Payments to Suppliers		(6,631,061)	(9,860,675)
Interest on Lease Liabilities		(36,375)	-
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>19</b>	<b>2,014,364</b>	<b>(6,536,950)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Purchase of Plant and Equipment		(30,151)	(23,508)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(30,151)</b>	<b>(23,508)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		(1,839,589)	564,326
Proceeds from Issue of Shares		-	6,015,000
Repayment of Lease Liabilities		(137,855)	(108,777)
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>		<b>(1,977,444)</b>	<b>6,470,549</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>6,769</b>	<b>(89,909)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>82,187</b>	<b>172,096</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>4</b>	<b>88,956</b>	<b>82,187</b>

The accompanying notes form part of these financial statements



# RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

ABN 15 159 974 946

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### **Note 1. Statement of Significant Accounting Policies**

The directors have prepared the financial statements on the basis that the group is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements therefore special purpose financial statements that have been prepared in order to meet the needs of members of the group.

The financial report is for the Ramco Systems Australia Pty Ltd and its Controlled Entities, Ramco Systems Australia Pty Ltd, New Zealand Branch (collectively hereafter referred to as "the Group") as a group. The companies in the group are companies limited by shares, incorporated and domiciled in Australia and a branch in New Zealand. Ramco Systems Limited is the parent entity incorporated and domiciled in India. Ramco Systems Australia Pty Ltd is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements that are mandatory under the Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The reporting currency of the group is Australian Dollar and the financial report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Principles of Consolidation**

The Consolidated Financial Statements incorporate all of the assets, liabilities and result of Ramco Systems Australia Pty Ltd (and its Controlled Entities) and all of the subsidiaries (including any structured entities) and a branch in New Zealand. Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

The Group comprises the following entities for the year ended 31 March 2021:

- Ramco Systems Australia Pty Ltd;
- Ramco Systems Australia Pty Ltd, New Zealand Branch.

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**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies**

**(b) Revenue**

Sale of goods is recognised when the group has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

The group generates revenues from after-sales service and maintenance, consulting, and service contracts for information technology solutions. Consideration received for those services, except for License Fee, is initially deferred and is recognised as revenue in the period when the service is performed. In recognising after-sales service and maintenance revenues, the group considers the nature of the services and the customer's use of the related products, based on historical experience. Revenue from consulting and implementation services is recognised when the services are provided by reference to the contract's stage of completion at the reporting date. A service contract's stage of completion is assessed by management based on milestones (usually defined in the contract) for the activities to be carried out under the contract and other available relevant information at the reporting date.

Revenue recognition relating to the provision of services is determined with reference to the performance obligations of the transaction at the reporting date and where outcome of the contract can be estimated reliably. The performance obligations are determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of Goods and Services Tax (GST).

The group pays to the Parent group, Ramco Systems Limited, India, towards royalty, services and reimbursement of expenses. Royalty is on the License Fees, maintenance, enablement fee and application installation. The group also pays royalty to the related party, Ramco Systems Pte Ltd, Singapore, towards chatbot license fee.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

**ABN 15 159 974 946**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(c) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use for sale.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive Income in the period in which they are incurred.

**(d) Income Tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(d) Income Tax (cont'd)**

Income taxes relating to items recognised directly in equity are recognised in equity and not in statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(e) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office.

**(f) Cash & Cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity date of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

**(g) Plant and Equipment**

Property, Plant and Equipment is measured on a historical cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

Depreciation rates used for each class of assets are as follows:

Computers	33%
Office Furniture and Equipment	10 - 20%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(g) Plant and Equipment (cont'd)**

*De-recognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further 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 statement of profit or loss and other comprehensive income in the year the asset is derecognised.

**(h) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in statement of profit or loss and other comprehensive income immediately.

**Classification and subsequent measurement**

*Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combination applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(h) Financial Instruments (cont'd)**

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

*Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

*Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(h) Financial Instruments (cont'd)**

*Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or has been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the group no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**(i) Employee Benefits**

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(j) Impairment of assets**

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are not discounted.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(k) Provisions**

Provisions are recognised when the group 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 group expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

**(l) Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(m) Leases**

At inception of a contract, the group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the group where the group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If the rate cannot be readily determined, the group uses the incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the lease liability, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(n) Going Concern**

The financial report has been prepared on the going concern basis.

This basis has been adopted as the group has received a commitment for financial support from the directors of the parent group to allow the group to meet its liabilities and it is the belief of the directors of the group that such financial support will continue to be made available.

Ramco Systems Australia Pty Ltd and its controlled entities incurred a net loss of \$785,792 (2020: Loss \$6,523,913) for the financial year ended 31 March 2021 and as at that date, the group is still in a negative net asset position of \$9,161,720 (2020: \$8,375,928). Further to this, current liabilities exceeds current assets by \$10,199,352 (2020: \$12,651,127).

The group is reliant on its parent group and other related parties for its continuing operations and working capital needs. This indicates the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. The ability of the group to continue as a going concern is dependent on the parent group and other related parties continuing to provide financial support and not recalling the group's existing loan amount. The Directors and management have also based their opinion on the following:

- Review of business units, their profitability and restructuring of some units to improve their profitability;
- The continued support of Members and other stakeholders;
- The continued good working relationship and support of other group subsidiaries; and
- Ongoing commitment from the Board.

The Directors believe it is appropriate to prepare the financial report on a going concern basis for the reasons outlined above. However, should the group not be successful in achieving its cash flow forecasts, including meeting sales targets and operating in a reduced cost environment, there is material uncertainty in respect of the ability of the group to continue as a going concern. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(o) Comparative Figures**

During the year, the Group changes the presentation and classification of items in the financial statements to align with the parent company's reporting.

The Group has recognised the change and the effects of these adjustments as follow:

	Note	Previously reported 2020 \$	After reclassification 2020 \$
<b><u>Statement of Profit or Loss and Other Comprehensive Income</u></b>			
Revenue from Operations		9,508,733	9,262,805
Cost of Sales		(6,228,656)	-
Purchase of Stock in Trade		-	(92,400)
<b>Gross Profit</b>		<b>3,280,077</b>	<b>9,170,405</b>
Accountancy and Audit Fees		(15,000)	-
Administrative and Development Expenses		(5,190,336)	-
Selling & Advertising Expenses		(178,971)	-
Depreciation and Amortisation Expenses		(212,088)	(212,088)
Finance Expenses		(1,132,950)	(1,132,950)
Net Foreign Exchange Gain/(Loss)		(1,063,415)	-
Travelling Expenses		(1,281,879)	-
Occupancy Cost		(269,921)	-
Other Expenses from Ordinary Activities		(456,838)	-
Employee Benefit Expenses		-	(5,791,234)
Royalty		-	(913,531)
Transfer pricing		-	(1,462,998)
Other Expenses		-	(6,178,925)
<b>Total Expenses</b>		<b>(9,801,398)</b>	<b>(15,691,726)</b>
<b>(Loss) before Income Tax</b>		<b>(6,521,321)</b>	<b>(6,521,321)</b>
Income Tax Expense		-	-
<b>(Loss) for the year</b>		<b>(6,521,321)</b>	<b>(6,521,321)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
Other Comprehensive Loss (Translation Loss)		(2,592)	(2,592)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(2,592)</b>	<b>(2,592)</b>
<b>Total Comprehensive Income/(Loss) attributable to Members of the Entity</b>		<b>(6,523,913)</b>	<b>(6,523,913)</b>

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Note 1. Statement of Significant Accounting Policies (cont'd)**

**(o) Comparative Figures (cont'd)**

	Previously reported 2020 \$	After reclassification 2020 \$
<b><u>Statement of Financial Position</u></b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	100,535	82,187
Trade and Other Receivables	3,025,954	3,155,967
Unbilled Revenue	2,473,440	-
Other Current Assets	-	319,583
Other Financial Assets	-	1,401,269
Tax Assets	-	18,268
<b>TOTAL CURRENT ASSETS</b>	<b>5,599,929</b>	<b>4,977,274</b>
<b>NON-CURRENT ASSETS</b>		
Trade and Other Receivables	33,330	-
Plant and Equipment	245,285	245,286
Right-of-Use Assets	550,588	550,588
Unbilled Revenue	5,371,721	-
Other Current Assets	-	161,776
Other Financial Assets	-	5,083,343
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,200,924</b>	<b>6,040,993</b>
<b>TOTAL ASSETS</b>	<b>11,800,853</b>	<b>11,018,267</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	5,597,664	3,481,796
Provisions	133,164	40,038
Borrowings	12,680,161	12,680,161
Other Current Liabilities	-	825,249
Other Current Financial Liabilities	-	472,047
Lease Liabilities	-	129,113
<b>TOTAL CURRENT LIABILITIES</b>	<b>18,410,989</b>	<b>17,628,404</b>
<b>NON CURRENT LIABILITIES</b>		
Trade and Other Payables	805,410	275,251
Provisions	960,382	996,787
Other Current Financial Liabilities	-	37,483
Lease Liabilities	-	456,270
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,765,792</b>	<b>1,765,791</b>
<b>TOTAL LIABILITIES</b>	<b>20,176,781</b>	<b>19,394,195</b>
<b>NET LIABILITIES</b>	<b>(8,375,928)</b>	<b>(8,375,928)</b>

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

**ABN 15 159 974 946**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2. REVENUE FROM OPERATIONS</b>		
Revenue from software products	3,473,473	2,933,642
Revenue from software services	6,481,070	5,840,802
Value added resale of SW & HW materials	22,500	187,205
<b>Total Revenue</b>	<b>9,977,043</b>	<b>8,961,649</b>

**NOTE 3. PROFIT/(LOSS) FROM CONTINUING ACTIVITIES**

(Loss) before income tax has been determined after crediting/ (charging):

Expenses:

Depreciation & Amortisation Expenses	206,203	212,088
Finance Cost	789,747	1,132,950
Other Expenses	1,708,178	6,178,925
Remuneration of the auditors for:		
<i>Audit Services</i>	15,000	15,000
<i>Taxation Services</i>	-	-

No Deferred Tax Asset has been brought to account for the tax losses currently available to Ramco Systems Australia Pty Ltd, as it is not deemed probable at this time that the group will satisfy the conditions for deductibility as set out in Accounting Policy Note 1d. In view of this, deferred taxes have not been recognised until next year.

**NOTE 4. CASH AND CASH EQUIVALENTS**

Cash at Bank - Account 10632622	29,731	35,455
Cash at Bank - Account 10682872	1,970	3,077
Bank A/c- HSBC AUD 615606163	5,456	1,361
Cash at Bank HSBC, New Zealand	51,799	42,294
	<b>88,956</b>	<b>82,187</b>

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	\$	\$
<b>NOTE 5. TRADE RECEIVABLES</b>		
Trade receivables	2,130,987	2,990,928
Amounts due from related parties	236,716	224,858
Less: Allowance for doubtful debt	(61,617)	(59,819)
	<b>2,306,086</b>	<b>3,155,967</b>

**NOTE 6. OTHER CURRENT ASSETS**

**Current**

Prepayments	50,911	58,557
GST receivable	-	265
Unbilled revenue, services	952,568	284,311
Less: Allowance for doubtful debt	(39,948)	(23,549)
	<b>963,531</b>	<b>319,584</b>

**Non-Current**

Unbilled revenue, services	99,428	161,776
	<b>99,428</b>	<b>161,776</b>

**NOTE 7. OTHER FINANCIAL ASSETS**

**Current**

Fixed deposit account	18,348	18,348
Unbilled revenue	1,553,591	1,409,579
Less: Allowance for doubtful debt	(224,490)	(43,401)
Employee advances	21,250	16,500
Government grant receivable (a)	38,000	-
Security deposit	229	243
	<b>1,406,928</b>	<b>1,401,269</b>

**Non-Current**

Employee advances	38,230	33,330
Unbilled revenue	3,839,167	5,206,642
Less: Allowance for doubtful debt	(1,063,973)	(156,630)
	<b>2,813,424</b>	<b>5,083,342</b>

(a) These are amount receivables from the Australian Taxation Office (ATO) for JobKeeper Payment.

**NOTE 8. SUNDRY ASSETS**

FBT receivable	20,985	18,268
	<b>20,985</b>	<b>18,268</b>

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

ABN 15 159 974 946

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 9. PLANT & EQUIPMENT

	Furniture	Office Equipment	Computer s	Total
<b>Cost</b>				
Balance at 1 April 2019	279,985	102,897	79,355	462,237
Additions	-	-	23,508	23,508
Disposals	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>279,985</b>	<b>102,897</b>	<b>102,863</b>	<b>485,745</b>
Balance at 1 April 2020	279,985	102,897	102,863	485,745
Additions	-	-	30,151	30,151
Disposals	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>279,985</b>	<b>102,897</b>	<b>133,014</b>	<b>515,896</b>
<b>Accumulated Depreciation</b>				
Balance at 1 April 2019	(68,252)	(52,047)	(51,577)	(171,877)
Additions	(27,969)	(20,077)	(20,537)	(68,583)
Disposals	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>(96,221)</b>	<b>(72,124)</b>	<b>(72,114)</b>	<b>(240,460)</b>
Balance at 1 April 2020	(96,221)	(72,124)	(72,114)	(240,460)
Additions	(27,968)	(19,045)	(19,417)	(66,430)
Disposals	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>(124,189)</b>	<b>(91,169)</b>	<b>(91,531)</b>	<b>(306,890)</b>
<b>Carrying amounts</b>				
<b>At 1 April 2019</b>	<b>211,733</b>	<b>50,850</b>	<b>27,778</b>	<b>290,360</b>
<b>At 31 March 2020</b>	<b>183,764</b>	<b>30,772</b>	<b>30,749</b>	<b>245,285</b>
<b>At 1 April 2020</b>	<b>183,764</b>	<b>30,772</b>	<b>30,749</b>	<b>245,285</b>
<b>At 31 March 2021</b>	<b>155,796</b>	<b>11,727</b>	<b>41,483</b>	<b>209,006</b>

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	\$	\$
<b>NOTE 10. RIGHT-OF-USE ASSETS</b>		
Office Buildings	474,533	694,160
Less: Accumulated Depreciation	(197,709)	(143,572)
	<b>276,824</b>	<b>550,588</b>

**NOTE 11. TRADE PAYABLES**

**Current**

Trade creditors	92,857	157,064
Amount due to Parent Company	1,847,317	2,538,608
Amount due to Related Parties	385,954	335,711
Employee Payables	13,794	23,925
Accrued Operating Expenses	215,792	159,704
Partner Commission	167,654	266,782
	<b>2,723,368</b>	<b>3,481,794</b>

**Non-Current**

Partner Commission	203,032	275,252
	<b>203,032</b>	<b>275,252</b>

**Note 12. OTHER CURRENT FINANCIAL LIABILITIES**

**Current**

Unearned royalty revenue	76,898	72,047
Customer claim payables	-	400,000
	<b>76,898</b>	<b>472,047</b>

**Non-Current**

Unearned royalty revenue	171,740	37,483
	<b>171,740</b>	<b>37,483</b>

**NOTE 13. PROVISIONS**

**Current**

Provision for annual leave	80,071	40,038
	<b>80,071</b>	<b>40,038</b>

**Non-Current**

Provision for annual leave and long service leave	1,737,356	960,382
Provision for gratuity	37,028	36,405
	<b>1,774,384</b>	<b>996,787</b>

**Note 14. OTHER CURRENT LIABILITIES**

Provision for bonus	164,778	78,126
Withholding tax payable	32,509	37,829
PAYG & superannuation payable	162,348	139,180
GST Payable	262,812	265,150
Unearned Revenue	508,621	304,964
	<b>1,131,068</b>	<b>825,249</b>

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

ABN 15 159 974 946

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
<b>Note 15. LEASE LIABILITIES</b>		
Current	101,642	129,113
Non-Current	211,894	456,270
	<b>313,536</b>	<b>585,383</b>

**NOTE 16. BORROWINGS - CURRENT**

Amounts Payable to Related Entities - *Unsecured*

Ramco Systems Limited, India	5,056,742	5,136,700
Ramco Systems Ltd, Switzerland	932,756	1,186,309
Ramco Systems Corporation, USA	4,851,074	6,357,152
<b>Total</b>	<b>10,840,572</b>	<b>12,680,161</b>

**NOTE 17. CONTRIBUTED EQUITY**

(a) Ordinary Shares at the beginning of the year	16,393,000	10,378,000
<i>2021: 16,393,000 Shares issued at \$1.00 each</i>		
<i>(2020: 10,378,000 Shares issued at \$1.00 each)</i>		
Shares issued during the year		
<i>(2020: 6,015,000 Shares issued at \$1.00 each)</i>	-	6,015,000
<b>At Reporting Date (16,393,000 shares issued at \$1 each)</b>	<b>16,393,000</b>	<b>16,393,000</b>

**(a) Ordinary shares**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**NOTE 18. ACCUMULATED LOSSES**

Accumulated losses at the beginning of the financial year	(24,768,928)	(18,245,015)
Net (loss) attributable to members of the entity	(780,747)	(6,521,321)
Foreign exchange translation reserve	(5,045)	(2,592)
<b>Accumulated (losses) at the end of the financial year</b>	<b>(25,554,720)</b>	<b>(24,768,928)</b>



**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

**ABN 15 159 974 946**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 19. CASH FLOW INFORMATION</b>		
<b>Reconciliation of cash flow from operations with (loss) from ordinary activities after income tax</b>		
(Loss) from ordinary activities after income tax	(785,792)	(6,523,913)
Non-cash flows in (loss)/profit from ordinary activities		
- Foreign Exchange Adjustment	-	66
- Depreciation	206,203	212,088
Changes in Assets and Liabilities:		
Decrease/(Increase) in trade receivables	849,880	(1,659,652)
Decrease/(Increase) in other current asset and tax asset	(584,316)	533,032
Decrease/(Increase) in other financial asset	2,264,259	1,385,886
(Decrease)/Increase in trade payables	(830,646)	(1,025,422)
(Decrease)/Increase in provision	817,630	425,400
(Decrease)/Increase in other current liabilities	338,038	(393,964)
(Decrease)/Increase in other financial liabilities	(260,892)	509,529
<b>Cash Flows (Used In) Operations</b>	<b>2,014,364</b>	<b>(6,536,950)</b>

**NOTE 20. CONTINGENCIES**

There were no material contingent liabilities in existence as at the reporting date.

**NOTE 21. INTEREST IN OVERSEAS BRANCH**

A branch held directly by Ramco Systems Australia Pty Ltd was registered on the overseas group register in New Zealand on the 18th day of November 2015 under Part XVIII of the Companies Act 1993 to carry on business. The branch has been operational since 1 April 2019 and consolidated with Ramco Systems Australia Pty Ltd for the year ended 31 March 2021.

**NOTE 22. COMPANY DETAILS**

The registered office of the company is:  
 Ramco Systems Australia Pty Ltd  
 1198 Toorak Road  
 CAMBERWELL VIC 3124

The principal place of business is:  
 Ramco Systems Australia Pty Ltd  
 Level 17, 60 City Road  
 SOUTHBANK VIC 3006

Ramco Systems Australia Pty Ltd - New Zealand Branch  
 127 Main Highway  
 ELLERSLIE AUCKLAND 1051

Ramco Systems Australia Pty Ltd - New Zealand Branch  
 Level 13, 92 Albert Street  
 AUCKLAND 1010

The parent company of Ramco Systems Australia Pty Ltd is Ramco Systems Limited, India.

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

<b>NOTE 24. RELATED PARTY DISCLOSURES</b>	<b>2021</b>	<b>2020</b>
<b>(a) Payable to Related Parties</b>		
Ramco Systems Limited India	1,847,317	2,538,608
Ramco Systems Sdn. Bhd., Malaysia	2,250	42,206
Ramco Systems Inc, Phillipines	6,228	33
Ramco Systems Pte Ltd, Singapore	91,462	293,472
Ramco Systems Corporation, USA	286,014	-
Loan Payable - Ramco Systems Limited India	5,056,742	5,136,700
Loan Payable - Ramco Systems Corporation, USA	4,851,074	6,357,152
Loan Payable - Ramco Systems Limited, Switzerland	932,756	1,186,309
	<b>13,073,843</b>	<b>15,554,480</b>
<b>(b) Receivable from Related Parties</b>		
Ramco Systems Limited, India	105,762	10,252
Ramco Systems Sdn. Bhd., Malaysia	85,892	-
Ramco Systems Pte Ltd, Singapore	41,381	190,222
Ramco Systems Pte Ltd., Hong Kong	1,072	2,937
Ramco Systems Inc, Phillipines	2,609	2,609
Ramco Systems Corporation, USA	-	18,836
	<b>236,716</b>	<b>224,856</b>
<b>(c) Other Transactions in Normal Course of Business - Expenses</b>		
<b>Ramco Systems Limited India -</b>		
Salary	27,045	92,045
Travel	147,771	405,620
Transfer pricing	1,528,176	1,462,998
Royalty	1,171,663	913,531
Hosting Fees	77,619	547,863
Others	3,703	168
<b>Ramco Systems Pte Ltd, Singapore</b>		
Salary	353,632	279,358
Travel	-	6,889
<b>Ramco Systems Corporation, USA</b>		
Hosting Fees	527,034	-
<b>Ramco Systems Sdn. Bhd., Malaysia</b>		
Salary	18,076	39,487
Travel	404	288
<b>Ramco Systems Inc, Phillipines</b>		
Salary	17,871	30
<b>Ramco Systems Limited, Switzerland</b>		
Salary	4,346	-
	<b>3,877,340</b>	<b>3,748,277</b>

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**

**ABN 15 159 974 946**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

<b>NOTE 24. RELATED PARTY DISCLOSURES (CONT'D)</b>	<b>2021</b>	<b>2020</b>
<b>(d) Other Transactions in Normal Course of Business - Income</b>		
<b>Ramco Systems Limited India -</b>		
Salary	114,107	45,163
Travel	-	25,514
Outsourcing Cost	79,652	-
<b>Ramco Systems Pte Ltd, Singapore</b>		
Salary	64,758	108,426
Travel	690	16,277
Guest House Cost	-	13,114
<b>Ramco Systems Sdn. Bhd., Malaysia</b>		
Salary	85,892	-
<b>Ramco Systems Pte Ltd Hong Kong</b>		
Salary	1,072	-
Travel	-	2,937
<b>PT Ramco Systems Indonesia</b>		
Salary	11,227	-
<b>Ramco Systems Inc, Phillipines</b>		
Travel	-	2,609
<b>Ramco Systems FZ-LLC</b>		
Salary	335	-
<b>Ramco Systems Corporation, USA</b>		
Salary	13,454	137,180
Legal Fees	2,898	-
Travel	295	18,555
Others	-	806
	<b>374,380</b>	<b>370,581</b>
<b>(e) Interest on Loans Payable</b>		
Ramco Systems Limited, India	439,686	764,988
Ramco Systems Limited, Switzerland	52,592	49,256
Ramco Systems Corporation, USA	261,094	263,279
	<b>753,372</b>	<b>1,077,523</b>

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**

**DIRECTORS' DECLARATION**

The directors have determined that the group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the group declare that:

1. The financial statements and notes, as set out on pages 3 to 25, are in accordance with the Corporations Act 2001, including:
  - a) complying with Accounting Standards as described in Note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the financial position as at 31 March 2021 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. There are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**Director**



\_\_\_\_\_  
Dated this    day of                    2021  
10th May 2021

**Director**



\_\_\_\_\_  
Dated this    day of                    2021  
10th May 2021



## **INDEPENDENT AUDITORS REPORT**

Our Ref  
Your Ref

### **To the Directors of Ramco Systems Australia Pty Ltd (and Controlled Entities)**

#### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the accompanying financial report, being a special purpose financial report of Ramco Systems Australia Pty Ltd and its Controlled Entities, Ramco Systems Australia Pty Ltd, New Zealand Branch (collectively hereafter referred to as the "Group"), which comprises the statement of financial position as at 31 March 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial position, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of the group is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the group's financial position as at 31 March 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

#### **Basis of Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter - Basis of Accounting**

##### ***Inherent Uncertainty Regarding Continuation as a Going Concern***

Without qualification to the opinion expressed above, attention is drawn to Note 1(n) to the financial statements which indicates there is a material uncertainty in respect of the ability of the group to continue as a going concern should the group not be successful in achieving its cashflow forecasts, including meeting sales targets and operating in a reduced cost environment. In our opinion, knowledge of the uncertainty affecting the group's ability to continue as a going concern is necessary for proper understanding of the financial report.

## INDEPENDENT AUDITOR'S REPORT (CONT...)

### **Emphasis of Matter (cont'd)**

#### ***Revenue recognition and estimates with respect to the Valuation of Trade Receivables and Unbilled Revenue on Projects***

Trade Receivables and Unbilled Revenues on Projects are significant to the Company as these represent approximately 91% (2020-92%) of the total assets in the statement of financial position. Furthermore, the valuation of trade receivables and unbilled revenues on the projects require management judgment due to the specific risks associated with each individual trade receivable and unbilled revenues on the projects.

### **Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibilities of the Directors for the Financial Report**

The directors of the group are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

## INDEPENDENT AUDITOR'S REPORT (CONT...)

### **Auditor's Responsibility for the Financial Report (cont'd)**

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the directors use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**MCG PARTNERS**  
Chartered Accountants



**HARISH BUDHIRAJA**  
Partner

Camberwell  
Melbourne

Date: 10/05/2021



MCG Partners  
Chartered Accountants

Our Ref

Your Ref

## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of Ramco Systems Australia Pty Ltd (and its Controlled Entities)

In accordance with the requirements of section 307C of the Corporations Act 2001, as auditors of Ramco Systems Australia Pty Ltd and its Controlled Entities, Ramco Systems Australia Pty Ltd, New Zealand Branch (the Group) for the financial year ended 31 March 2021, we declare that, to the best of our knowledge and belief there have been:

- i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

### NON-AUDIT SERVICES

The following non-audit services were provided by the company's auditor, MCG Partners and /or its related entities. The directors are satisfied that the provision of non-audit services is comparable with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor's independence was not compromised.

MCG Partners and/or its related entities received or are due to receive the following amounts for the provision of non-audit services during the year ended 31 March 2021:

Taxation and Payroll Compliance	\$ 44,980
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**MCG PARTNERS**  
Chartered Accountants

Camberwell  
Melbourne

**HARISH BUDHIRAJA**  
Partner

Date: 10/05/2021

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