

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

ABN 15 159 974 946

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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FOR THE YEAR ENDED 31 MARCH 2022

Financial Report

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RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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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 2022 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:

Virender Aggarwal

resigned 07 October 2021

Raghuvveer Sandesh Bilagi

Ravikulachandran Ramamurthy

Pusapadi Ramasubramania Raja Venketrama Raja

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 \$1,396,049 (2021: Loss \$785,792).

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 directors have considered the impact of the Coronavirus pandemic (COVID-19) on the 2022 financial accounts and determined that the pandemic did not have a material impact on the operations of the group. All of the measures to assist and to protect the group's employees, and also to retain staff (working remotely, etc.) have been implemented. The annual accounts have been established on the basis of assumptions and business plans validated on the closing date and the effects of the COVID-19 crisis were taken into consideration.

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 2022:

Taxation and Payroll Compliance	\$ 44,580
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Signed in accordance with a resolution of the Board of Directors of the Group.

Director



Dated this 17 day of May 2022

Director



Dated this 17 day of May 2022

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 \$	2021 \$
Revenue from operations	2A	10,667,445	9,977,043
Finance Income		166,974	235,086
Other Income		-	515,181
Total Revenue		10,834,419	10,727,310
Purchase of stock-in-trade		-	(9,170)
Royalty		(1,127,686)	(1,171,663)
Transfer pricing		(1,335,185)	(1,528,176)
Employee benefit expenses		(6,174,942)	(6,062,039)
Finance cost	2B	(754,370)	(789,747)
Depreciation and amortisation expenses	2B	(171,467)	(206,203)
Other expenses	2B	(2,627,514)	(1,708,178)
Total Expenses		(12,191,164)	(11,475,176)
(Loss) before Income Tax		(1,356,745)	(747,866)
Income Tax (Expense)	3	(35,269)	(32,881)
(Loss) for the year		(1,392,014)	(780,747)
Other Comprehensive Income		-	-
Other Comprehensive Loss (Translation Loss)		(4,035)	(5,045)
Other Comprehensive Income/(Loss) for the year, net of tax		(4,035)	(5,045)
Total comprehensive income / (loss) attributable to: Members of the Entity		(1,396,049)	(785,792)

The accompanying notes form part of these financial statements

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	122,416	88,956
Trade Receivables	6	2,117,352	2,306,086
Other Current Assets	7	471,422	963,531
Other Financial Assets	8	1,316,105	1,406,928
Sundry Assets	9	15,533	20,985
TOTAL CURRENT ASSETS		4,042,828	4,786,486
NON-CURRENT ASSETS			
Other Current Assets	7	8,081	99,428
Other Financial Assets	8	2,322,888	2,813,424
Plant and Equipment	10	170,886	209,006
Right-of-Use Assets	11	208,465	276,824
TOTAL NON-CURRENT ASSETS		2,710,320	3,398,682
TOTAL ASSETS		6,753,148	8,185,168
CURRENT LIABILITIES			
Trade Payables	12	1,687,092	2,723,368
Other Current Financial Liabilities	13	131,054	76,898
Provisions	14	58,855	80,071
Other Current Liabilities	15	1,469,166	1,131,068
Liabilities for Current Tax		67,412	32,219
Lease Liabilities	16	99,979	101,642
Borrowings	17	11,308,435	10,840,572
TOTAL CURRENT LIABILITIES		14,821,993	14,985,838
NON CURRENT LIABILITIES			
Trade Payables	12	281,254	203,032
Other Current Financial Liabilities	13	238,503	171,740
Provisions	14	1,822,109	1,774,384
Lease Liabilities	16	147,058	211,894
TOTAL NON-CURRENT LIABILITIES		2,488,924	2,361,050
TOTAL LIABILITIES		17,310,917	17,346,888
NET LIABILITIES		(10,557,769)	(9,161,720)
EQUITY			
Contributed Equity	18	16,393,000	16,393,000
Accumulated Losses	19	(26,950,769)	(25,554,720)
TOTAL EQUITY AND RESERVES		(10,557,769)	(9,161,720)

The accompanying notes form part of these financial statements

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Contributed Equity \$	Retained Earnings \$	Currency Translation Reserve \$	Total \$
Balance at 1 April 2020	16,393,000	(24,766,336)	(2,592)	(8,375,928)
Loss attributable to members of the entity	-	(780,747)	-	(780,747)
Foreign currency translation gain/(loss)	-	-	(5,045)	(5,045)
Total other comprehensive income for the year	-	-	-	-
Balance at 31 March 2021	16,393,000	(25,547,083)	(7,637)	(9,161,720)
Balance at 1 April 2021	16,393,000	(25,547,083)	(7,637)	(9,161,720)
Loss attributable to members of the entity	-	(1,392,014)	-	(1,392,014)
Foreign currency translation gain/(loss)	-	-	(4,035)	(4,035)
Total other comprehensive income for the year	-	-	-	-
Balance at 31 March 2022	16,393,000	(26,939,097)	(11,672)	(10,557,769)

The accompanying notes form part of these financial statements

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		13,199,679	11,378,881
Payment to Related Parties		(3,097,437)	(2,808,213)
Interest Received		166,974	864,504
Finance Costs		(730,496)	(753,372)
Payments to Suppliers and Employees		(9,817,762)	(6,631,061)
Interest on Lease Liabilities		(23,874)	(36,375)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	20	(302,916)	2,014,364
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) for Purchase of Plant and Equipment		(23,035)	(30,151)
NET CASH (USED IN) INVESTING ACTIVITIES		(23,035)	(30,151)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) Borrowings		467,863	(1,839,589)
(Repayment of) Lease Liabilities		(108,452)	(137,855)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		359,411	(1,977,444)
NET INCREASE/(DECREASE) IN CASH HELD		33,460	6,769
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		88,956	82,187
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	122,416	88,956

The accompanying notes form part of these financial statements

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures and AASB 1 First time adoption of Australian Accounting Standards has been applied. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation. An explanation of how the transition to Australian Accounting Standards - Simplified Disclosures has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 1(o).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied 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 2022:

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 company, 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 \$1,396,049 (2021: Loss \$785,792) for the financial year ended 31 March 2022 and as at that date, the group is still in a negative net asset position of \$10,557,769 (2021: \$9,161,720). Further to this, current liabilities exceeds current assets by \$10,779,165 (2021: \$10,199,352).

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) New and Amended Accounting Policies Adopted by the Group

The Group elected to adopt the following standard and amendments early:

- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities; and
- AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 2022

	2022	2021
	\$	\$
NOTE 2A. REVENUE FROM OPERATIONS		
Revenue from software products	3,549,709	3,473,473
Revenue from software services	6,954,953	6,481,070
Value added resale of software & hardware materials	162,783	22,500
Total Revenue	10,667,445	9,977,043

NOTE 2B. EXPENSES

Depreciation & Amortisation Expenses	171,467	206,203
Finance Cost	754,370	789,747
Advertisement & Sales Promotion	82,619	70,291
Audit Accountancy & Legal Charges	133,294	206,406
Bad and Doubtful debts	602,996	50,844
Bank Charges	21,309	13,636
Forex translation loss	184,771	(1,254,852)
Insurance	41,321	37,069
Miscellaneous expenses	237,922	78,990
Office maintenance	20,380	12,758
Outsourcing costs	205,498	117,956
Postage, Telephone, Telegrams	110,153	93,284
Power & Fuel	4,184	3,050
Printing and stationery	7,544	2,921
Provision for Doubtful Debts, expenses	(756,309)	1,106,630
Rates and taxes	526,985	196,770
Rent	813,540	633,615
Repairs - Others	7,761	8,821
Sales commission and other selling	126,479	1,304
Travelling and conveyance	257,067	328,685
Total Other Expenses	2,627,514	1,708,178

NOTE 3. INCOME TAX EXPENSE

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.

Income tax expense in statement of profit or loss and other comprehensive income of \$35,269 (2021: \$32,881) represents income taxes expense of Ramco Systems Australia Pty Ltd, New Zealand Branch.

NOTE 4. AUDITOR'S REMUNERATION

Remuneration of the auditors for:

<i>Audit Services</i>	16,000	15,000
<i>Taxation Services</i>	-	-
	16,000	15,000

NOTE 5. CASH AND CASH EQUIVALENTS

Cash at Bank - Account 10632622	33,244	29,731
Cash at Bank - Account 10682872	1,840	1,970
Bank A/c- HSBC AUD 615606163	71,209	5,456
Cash at Bank HSBC, New Zealand	16,123	51,799
	122,416	88,956

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
NOTE 6. TRADE RECEIVABLES		
Trade receivables	1,732,419	2,130,987
Amounts due from related parties	446,990	236,716
Less: Allowance for doubtful debt	(62,057)	(61,617)
	2,117,352	2,306,086

NOTE 7. OTHER CURRENT ASSETS

Current

Prepayments	67,043	50,911
Advance to related parties	277,360	-
Advance to suppliers	1,096	-
Unbilled revenue, services	170,091	952,568
Less: Allowance for doubtful debt	(44,168)	(39,948)
	471,422	963,531

Non-Current

Prepayments	8,081	-
Unbilled revenue, services	-	99,428
	8,081	99,428

NOTE 8. OTHER FINANCIAL ASSETS

Current

Fixed deposit account	18,348	18,348
Unbilled revenue	1,437,671	1,553,591
Less: Allowance for doubtful debt	(189,676)	(224,490)
Employee advances	49,530	21,250
Government grant receivable	-	38,000
Security deposit	232	229
	1,316,105	1,406,928

Non-Current

Employee advances	-	38,230
Unbilled revenue	2,660,559	3,839,167
Less: Allowance for doubtful debt	(337,671)	(1,063,973)
	2,322,888	2,813,424

NOTE 9. SUNDRY ASSETS

FBT receivable	11,115	20,985
TDS deducted by customer	4,418	-
	15,533	20,985

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

NOTE 10. PLANT & EQUIPMENT

	Furniture	Office Equipment	Computer s	Total
Cost				
Balance at 1 April 2020	279,985	102,897	102,863	485,745
Additions	-	-	30,151	30,151
Disposals	-	-	-	-
Balance at 31 March 2021	279,985	102,897	133,014	515,896
Balance at 1 April 2021	279,985	102,897	133,014	515,896
Additions	-	-	23,035	23,035
Disposals	-	-	-	-
Balance at 31 March 2022	279,985	102,897	156,049	538,931
Accumulated Depreciation				
Balance at 1 April 2020	(96,221)	(72,124)	(72,114)	(240,460)
Additions	(27,968)	(19,045)	(19,417)	(66,430)
Disposals	-	-	-	-
Balance at 31 March 2021	(124,189)	(91,169)	(91,531)	(306,890)
Balance at 1 April 2021	(124,189)	(91,169)	(91,531)	(306,890)
Additions	(27,968)	(7,570)	(25,617)	(61,155)
Disposals	-	-	-	-
Balance at 31 March 2022	(152,157)	(98,739)	(117,148)	(368,045)
Carrying amounts				
At 1 April 2020	183,764	30,772	30,749	245,285
At 31 March 2021	155,796	11,727	41,483	209,006
At 1 April 2021	155,796	11,727	41,483	209,006
At 31 March 2022	127,828	4,157	38,901	170,886

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
NOTE 11. RIGHT-OF-USE ASSETS		
Office Buildings	460,350	474,533
Less: Accumulated Depreciation	(251,885)	(197,709)
	208,465	276,824

NOTE 12. TRADE PAYABLES

Current

Trade creditors	77,770	92,857
Amount due to Parent Company	964,702	1,847,317
Amount due to Related Parties	283,417	385,954
Employee Payables	15,638	13,794
Accrued Operating Expenses	281,238	215,792
Partner Commission	64,327	167,654
	1,687,092	2,723,368

Non-Current

Partner Commission	281,254	203,032
	281,254	203,032

Note 13. OTHER CURRENT FINANCIAL LIABILITIES

Current

Unearned royalty revenue	131,054	76,898
	131,054	76,898

Non-Current

Unearned royalty revenue	238,503	171,740
	238,503	171,740

NOTE 14. PROVISIONS

Current

Provision for annual leave	58,855	80,071
	58,855	80,071

Non-Current

Provision for annual leave and long service leave	1,783,088	1,737,356
Provision for gratuity	39,021	37,028
	1,822,109	1,774,384

Note 15. OTHER CURRENT LIABILITIES

Provision for bonus	296,637	164,778
Advance from related parties	75,688	-
Withholding tax payable	21,963	32,509
PAYG & superannuation payable	203,212	162,348
GST Payable	255,777	262,812
Salary Payable	10,193	-
Unearned Revenue	605,696	508,621
	1,469,166	1,131,068

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
Note 16. LEASE LIABILITIES		
Current	99,979	101,642
Non-Current	147,058	211,894
	247,037	313,536

NOTE 17. BORROWINGS - CURRENT

Amounts Payable to Related Entities - *Unsecured*

Ramco Systems Limited, India	5,025,000	5,056,742
Ramco Systems Ltd, Switzerland	1,550,297	932,756
Ramco Systems Corporation, USA	4,733,138	4,851,074
Total	11,308,435	10,840,572

NOTE 18. CONTRIBUTED EQUITY

(a) Ordinary Shares at the beginning of the year	16,393,000	16,393,000
<i>2022:16,393,000 Shares issued at \$1.00 each</i>		
<i>(2021:16,393,000 Shares issued at \$1.00 each)</i>		

At Reporting Date	16,393,000	16,393,000
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(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 19. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	(25,554,720)	(24,768,928)
Net (loss) attributable to members of the entity	(1,392,014)	(780,747)
Foreign exchange translation reserve for gain/(loss)	(4,035)	(5,045)
Accumulated (losses) at the end of the financial year	(26,950,769)	(25,554,720)

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 2022**

	2022	2021
	\$	\$
NOTE 20. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with (loss) from ordinary activities after income tax		
(Loss) from ordinary activities after income tax	(1,396,049)	(785,792)
Non-cash flows in (loss)/profit from ordinary activities		
- Depreciation	171,467	206,203
Changes in Assets and Liabilities:		
Decrease/(Increase) in trade receivables	188,734	849,880
Decrease/(Increase) in other current asset and tax asset	588,908	(584,316)
Decrease/(Increase) in other financial asset	581,359	2,264,259
(Decrease)/Increase in trade payables	(958,054)	(830,646)
(Decrease)/Increase in provision	26,509	817,630
(Decrease)/Increase in other current liabilities	373,291	338,038
(Decrease)/Increase in other financial liabilities	120,919	(260,892)
Cash Flows (Used In)/From Operations	(302,916)	2,014,364

NOTE 21. SIGNIFICANT EVENTS DURING THE YEAR

The directors have considered the impact of the Coronavirus pandemic (COVID-19) on the 2022 financial accounts and determined that the pandemic did not have a material impact on the operations of the group. All of the measures to assist and to protect the group's employees, and also to retain staff (working remotely, etc.) have been implemented. The annual accounts have been established on the basis of assumptions and business plans validated on the closing date and the effects of the COVID-19 crisis were taken into consideration.

NOTE 22. EVENTS AFTER THE BALANCE 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.

NOTE 23. CONTINGENCIES

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

NOTE 24. 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 2020 and consolidated with Ramco Systems Australia Pty Ltd for the year ended 31 March 2022.

NOTE 25. 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

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 2022

	Note	2022 \$	2021 \$
NOTE 26. KEY MANAGEMENT PERSONNEL REMUNERATION			
The totals of remuneration paid to key management personnel (KMP) of the group during the year are as follows:			
Short-Term Employee Benefits			
- Salary and Bonus		379,991	380,376
- Superannuation		23,100	21,521
- Annual Leave	(a)	200,995	258,318
		604,086	660,215
Long-Term Employee Benefits			
- Long Service Leave	(a)	60,478	73,182
		60,478	73,182

(a) Annual leave and long service leave represent the provision as at 31 March 2022.

NOTE 27. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of cash and cash equivalents, trade receivables, other current assets, other financial assets, trade payables, other current financial liabilities, other current liabilities, provisions and leases.

The total for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Trade Receivables	6	2,117,352	2,306,086
Other Current Assets	7	479,503	1,062,959
Other Financial Assets	8	3,638,993	4,220,352
Sundry Assets	9	15,533	20,985
		6,251,381	7,610,382

Financial Liabilities

Trade Payables	12	1,968,346	2,926,400
Other Current Financial Liabilities	13	369,557	248,638
Provisions	14	1,880,964	1,854,455
Other Current Liabilities	15	1,469,166	1,131,068
Liabilities for Current Tax		67,412	32,219
Lease Liabilities	16	247,037	313,536
		6,002,482	6,506,316

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

NOTE 27. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The company's financial risks comprise of credit risk, market risk and liquidity risk.

a. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, which includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Outstanding customer receivables and unbilled revenues are regularly monitored and the company creates a provision based on expected credit loss model.

b. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and foreign currency risk.

b.1 Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed-rate financial instruments. The financial instruments that expose the Group to interest rate risk are limited to borrowings.

b.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans to related parties, trade payables and bank balances.

c. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funds from variety of sources.
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
NOTE 28. RELATED PARTY DISCLOSURES		
(a) Payable to Related Parties		
Ramco Systems Limited India	878,358	1,847,317
Ramco Systems Limited India - Unbilled	193,476	-
Ramco Systems Sdn. Bhd., Malaysia	81,523	2,250
Ramco Systems Inc, Phillipines	8,678	6,228
Ramco Systems Pte Ltd, Singapore	-	91,462
Ramco Systems Corporation, USA	264,595	286,014
Loan Payable - Ramco Systems Limited India	5,025,000	5,056,742
Loan Payable - Ramco Systems Corporation, USA	4,733,138	4,851,074
Loan Payable - Ramco Systems Limited, Switzerland	1,550,297	932,756
	12,735,065	13,073,843
(b) Receivable from Related Parties		
Ramco Systems Limited, India	330,177	105,762
Ramco Systems Sdn. Bhd., Malaysia	-	85,892
Ramco Systems FZ-LLC, Dubai, United Arab Emirates	2,952	-
Ramco Systems Pte Ltd, Singapore	208,821	41,381
Ramco Systems (Shanghai) Co. Ltd	16,842	-
Ramco Systems Pte Ltd., Hong Kong	1,072	1,072
Ramco Systems Inc, Phillipines	8,008	2,609
Ramco Systems Corporation, USA	16,017	-
	583,889	236,716
(c) Other Transactions in Normal Course of Business - Expenses		
Ramco Systems Limited India		
Salary	4,727	27,045
Travel	31,609	147,771
Transfer pricing	1,254,406	1,528,176
Royalty	781,160	1,171,663
Hosting Fees	33,195	77,619
Others	25,611	3,703
Unbilled Royalty	165,138	-
Ramco Systems Pte Ltd, Singapore		
Salary	236,862	353,632
Ramco Systems Corporation, USA		
Hosting Fees	613,965	527,034
Ramco Systems Sdn. Bhd., Malaysia		
Salary	20,670	18,076
Travel	1,304	404
Ramco Systems Inc, Phillipines		
Salary	43,264	17,871
Travel	458	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
NOTE 28. RELATED PARTY DISCLOSURES (CONT'D)		
(c) Other Transactions in Normal Course of Business - Expenses (cont'd)		
Ramco Systems Limited, Switzerland		
Salary	-	4,346
	3,212,369	3,877,340
(d) Other Transactions in Normal Course of Business - Income		
Ramco Systems Limited India		
Salary	944,779	114,107
Travel	300	-
Outsourcing Cost	20,989	79,652
Others	30	-
Ramco Systems Pte Ltd, Singapore		
Salary	85,772	64,758
Travel	-	690
Ramco Systems (Shanghai) Co. Ltd		
Salary	18,713	-
Ramco Systems Sdn. Bhd., Malaysia		
Salary	129,917	85,892
Ramco Systems Pte Ltd Hong Kong		
Salary	-	1,072
PT Ramco Systems Indonesia		
Salary	-	11,227
Ramco Systems Inc, Phillipines		
Salary	48,654	-
Ramco Systems FZ-LLC, Dubai, United Arab Emirates		
Salary	37,816	335
Ramco Systems Corporation, USA		
Salary	97,307	13,454
Legal Fees	-	2,898
Travel	-	295
	1,384,277	374,380
(e) Interest on Loans Payable		
Ramco Systems Limited, India	439,686	439,686
Ramco Systems Limited, Switzerland	47,201	52,592
Ramco Systems Corporation, USA	243,609	261,094
	730,496	753,372

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES
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DIRECTORS' DECLARATION

The directors of the group declare that:

1. The financial statements and notes, as set out on pages 3 to 26, 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 2022 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 17 day of May 2022

Director



Dated this 17 day of May 2022



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 general 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 2022, 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 2022 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure Requirements 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

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 86% (2021-91%) 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.

Other Matter

The financial report of Ramco Systems Australia Pty Ltd, New Zealand Branch for the year ended 31 March 2022 was audited by another auditor who expressed an unmodified opinion on that report on 13 May 2022.

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: 17/05/2022



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 2022, 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 2022:

Taxation and Payroll Compliance	\$ 44,580
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MCG PARTNERS
Chartered Accountants

Camberwell
Melbourne

HARISH BUDHIRAJA
Partner

Date: 17/05/2022

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Liability limited by a scheme approved under Professional Standards Legislation.