

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

**ABN 15 159 974 946**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2023**

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
**ABN 15 159 974 946**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**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 2023 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:

Raghuvveer Sandesh Bilagi

Ravikulachandran Ramamurthy

Pusapadi Ramasubramania Raja Venketrama Raja

Vikas Goel

*appointed 27 March 2023*

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 \$4,637,609 (2022: Loss \$1,396,049).

**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 2023 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 2023:

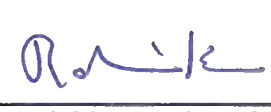
Taxation and Payroll Compliance	\$ 55,540
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Signed in accordance with a resolution of the Board of Directors of the Group.

**Director**

**Director**

  
Dated this 10 day of May 2023

  
Dated this 10 day of May 2023

**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 2023**

	Note	2023 \$	2022 \$
Revenue from operations	2A	11,169,332	10,667,445
Finance Income		120,652	166,974
Other Income		11	-
<b>Total Revenue</b>		<b>11,289,995</b>	<b>10,834,419</b>
Purchase of stock-in-trade		(92,400)	-
Royalty		(1,235,747)	(1,127,686)
Transfer pricing		(1,713,086)	(1,335,185)
Employee benefit expenses		(6,660,079)	(6,174,942)
Finance cost	2B	(524,915)	(754,370)
Depreciation and amortisation expenses	2B	(239,026)	(171,467)
Other expenses	2B	(5,461,415)	(2,627,514)
<b>Total Expenses</b>		<b>(15,926,668)</b>	<b>(12,191,164)</b>
<b>(Loss) before Income Tax</b>		<b>(4,636,673)</b>	<b>(1,356,745)</b>
Income Tax (Expense)	3	-	(35,269)
<b>(Loss) for the year</b>		<b>(4,636,673)</b>	<b>(1,392,014)</b>
<b>Other Comprehensive Income</b>		-	-
Other Comprehensive Loss (Translation Loss)		(936)	(4,035)
<b>Other Comprehensive Income/(Loss) for the year, net of tax</b>		<b>(936)</b>	<b>(4,035)</b>
<b>Total comprehensive income / (loss) attributable to: Members of the Entity</b>		<b>(4,637,609)</b>	<b>(1,396,049)</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 2023**

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	272,018	122,416
Trade Receivables	6	2,251,456	2,117,352
Other Current Assets	7	145,176	471,422
Other Financial Assets	8	1,016,907	1,316,105
Sundry Assets	9	23,739	15,533
<b>TOTAL CURRENT ASSETS</b>		<b>3,709,296</b>	<b>4,042,828</b>
<b>NON-CURRENT ASSETS</b>			
Other Current Assets	7	-	8,081
Other Financial Assets	8	903,444	2,322,888
Plant and Equipment	10	138,885	170,886
Right-of-Use Assets	11	546,078	208,465
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,588,407</b>	<b>2,710,320</b>
<b>TOTAL ASSETS</b>		<b>5,297,703</b>	<b>6,753,148</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	12	2,537,703	1,687,092
Other Current Financial Liabilities	13	129,872	131,054
Provisions	14	130,078	58,855
Other Current Liabilities	15	1,978,162	1,469,166
Liabilities for Current Tax		67,872	67,412
Lease Liabilities	16	205,935	99,979
Borrowings	17	8,159,566	11,308,435
<b>TOTAL CURRENT LIABILITIES</b>		<b>13,209,188</b>	<b>14,821,993</b>
<b>NON CURRENT LIABILITIES</b>			
Trade Payables	12	110,669	281,254
Other Current Financial Liabilities	13	180,502	238,503
Provisions	14	1,575,226	1,822,109
Lease Liabilities	16	392,496	147,058
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,258,893</b>	<b>2,488,924</b>
<b>TOTAL LIABILITIES</b>		<b>15,468,081</b>	<b>17,310,917</b>
<b>NET LIABILITIES</b>		<b>(10,170,378)</b>	<b>(10,557,769)</b>
<b>EQUITY</b>			
Contributed Equity	18	21,418,000	16,393,000
Accumulated Losses	19	(31,588,378)	(26,950,769)
<b>TOTAL EQUITY AND RESERVES</b>		<b>(10,170,378)</b>	<b>(10,557,769)</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 2023**

	<b>Contributed Equity \$</b>	<b>Retained Earnings \$</b>	<b>Currency Translation Reserve \$</b>	<b>Total \$</b>
<b>Balance at 1 April 2021</b>	<b>16,393,000</b>	<b>(25,547,083)</b>	<b>(7,637)</b>	<b>(9,161,720)</b>
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	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>16,393,000</b>	<b>(26,939,097)</b>	<b>(11,672)</b>	<b>(10,557,769)</b>
<b>Balance at 1 April 2022</b>	<b>16,393,000</b>	<b>(26,939,097)</b>	<b>(11,672)</b>	<b>(10,557,769)</b>
Loss attributable to members of the entity	-	(4,636,673)	-	(4,636,673)
Shares issued (5,025,000 @\$1 each)	5,025,000	-	-	5,025,000
Foreign currency translation gain/(loss)	-	-	(936)	(936)
Total other comprehensive income for the year	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>21,418,000</b>	<b>(31,575,770)</b>	<b>(12,608)</b>	<b>(10,170,378)</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 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		12,143,254	13,199,679
Payment to Related Parties		(2,828,337)	(3,097,437)
Interest Received		290,183	166,974
Finance Costs		(479,301)	(730,496)
Payments to Suppliers and Employees		(10,613,697)	(9,817,762)
Interest on Lease Liabilities		(45,613)	(23,874)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>20</b>	<b>(1,533,511)</b>	<b>(302,916)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Payment) for Purchase of Plant and Equipment		(23,327)	(23,035)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(23,327)</b>	<b>(23,035)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from/(Repayment of) Borrowings		(3,148,869)	467,863
Proceeds from Issue of Shares		5,025,000	-
(Repayment of) Lease Liabilities		(169,691)	(108,452)
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>		<b>1,706,440</b>	<b>359,411</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>149,602</b>	<b>33,460</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>122,416</b>	<b>88,956</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>5</b>	<b>272,018</b>	<b>122,416</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 2023**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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.

**(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 2023:

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

**RAMCO SYSTEMS AUSTRALIA PTY LTD AND ITS CONTROLLED ENTITIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**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.

**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 2023**

**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**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expenses charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**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 2023**

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

**(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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(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 the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. 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**  
**ABN 15 159 974 946**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**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 2023**

**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 2023**

**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**

**ABN 15 159 974 946**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

**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**  
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**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 \$4,637,609 (2022: Loss \$1,396,049) for the financial year ended 31 March 2023 and as at that date, the group is still in a negative net asset position of \$10,170,378 (2022: \$10,557,769). Further to this, current liabilities exceeds current assets by \$9,499,892 (2022: \$10,797,513).

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

**(o) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(p) New and Amended Accounting Policies Not Yet Adopted by the Group**

***AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current***

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 31 March 2024.

The amendment is not expected to have a material impact on the financial statements once adopted.

***AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates***

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 31 March 2024. The impact of the initial application is not yet know.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	\$	\$
<b>NOTE 2A. REVENUE FROM OPERATIONS</b>		
Revenue from software products	3,700,745	3,549,709
Revenue from software services	7,176,513	6,954,953
Value added resale of software & hardware materials	292,074	162,783
<b>Total Revenue</b>	<b>11,169,332</b>	<b>10,667,445</b>

**NOTE 2B. EXPENSES**

<b>Depreciation &amp; Amortisation Expenses</b>	<b>239,026</b>	<b>171,467</b>
<b>Finance Cost</b>	<b>524,915</b>	<b>754,370</b>
Advertisement & Sales Promotion	172,853	82,619
Audit Accountancy & Legal Charges	251,038	133,294
Bad and Doubtful debts	-	602,996
Bank Charges	22,643	21,309
Forex translation loss	868,033	184,771
Insurance	50,807	41,321
Miscellaneous expenses	209,527	237,922
Office maintenance	60,764	20,380
Outsourcing costs	500,793	205,498
Postage, Telephone, Telegrams	78,207	110,153
Power & Fuel	3,377	4,184
Printing and stationery	9,168	7,544
Provision for Doubtful Debts, expenses	971,588	(756,309)
Rates and taxes	369,481	526,985
Rent	954,974	813,540
Repairs - Others	10,032	7,761
Sales commission and other selling	(68,732)	126,479
Travelling and conveyance	996,862	257,067
<b>Total Other Expenses</b>	<b>5,461,415</b>	<b>2,627,514</b>

**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.

**NOTE 4. AUDITOR'S REMUNERATION**

Remuneration of the auditors for:

<i>Audit Services</i>	17,500	16,000
<i>Taxation Services</i>	-	-
	<b>17,500</b>	<b>16,000</b>

**NOTE 5. CASH AND CASH EQUIVALENTS**

Cash at Bank - Account 10632622	46,818	33,244
Cash at Bank - Account 10682872	44,639	1,840
Bank A/c- HSBC AUD 615606163	147,214	71,209
Cash at Bank HSBC, New Zealand	33,347	16,123
	<b>272,018</b>	<b>122,416</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 2023**

	2023	2022
	\$	\$
<b>NOTE 6. TRADE RECEIVABLES</b>		
Trade receivables	1,610,425	1,732,419
Amounts due from related parties	752,984	446,990
Less: Allowance for doubtful debt	(111,953)	(62,057)
	<b>2,251,456</b>	<b>2,117,352</b>

**NOTE 7. OTHER CURRENT ASSETS**

**Current**

Prepayments	81,541	67,043
Advance to related parties	-	277,360
Advance to suppliers	462	1,096
Unbilled revenue, services	332,366	170,091
Less: Allowance for doubtful debt	(269,193)	(44,168)
	<b>145,176</b>	<b>471,422</b>

**Non-Current**

Prepayments	-	8,081
Unbilled revenue, services	-	-
	<b>-</b>	<b>8,081</b>

**NOTE 8. OTHER FINANCIAL ASSETS**

**Current**

Unbilled revenue	1,018,337	1,437,671
Less: Allowance for doubtful debt	(63,367)	(189,676)
Employee advances	61,704	49,530
Fixed deposit account	-	18,348
Security deposit	233	232
	<b>1,016,907</b>	<b>1,316,105</b>

**Non-Current**

Fixed deposit account	80,423	-
Unbilled revenue	1,984,013	2,660,559
Less: Allowance for doubtful debt	(1,160,992)	(337,671)
	<b>903,444</b>	<b>2,322,888</b>

**NOTE 9. SUNDRY ASSETS**

FBT receivable	17,793	11,115
TDS deducted by customer	5,946	4,418
	<b>23,739</b>	<b>15,533</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 2023

NOTE 10. PLANT & EQUIPMENT

	Furniture	Office Equipment	Computer s	Total
<b>Cost</b>				
Balance at 1 April 2021	279,985	102,897	133,014	515,896
Additions	-	-	23,035	23,035
Disposals	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>279,985</b>	<b>102,897</b>	<b>156,049</b>	<b>538,931</b>
Balance at 1 April 2022	279,985	102,897	156,049	538,931
Additions	-	-	23,327	23,327
Disposals	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>279,985</b>	<b>102,897</b>	<b>179,376</b>	<b>562,258</b>
<b>Accumulated Depreciation</b>				
Balance at 1 April 2021	(124,189)	(91,169)	(91,531)	(306,890)
Additions	(27,968)	(7,570)	(25,617)	(61,155)
Disposals	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>(152,157)</b>	<b>(98,739)</b>	<b>(117,148)</b>	<b>(368,045)</b>
Balance at 1 April 2022	(152,157)	(98,739)	(117,148)	(368,045)
Additions	(27,968)	(3,010)	(24,350)	(55,328)
Disposals	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>(180,125)</b>	<b>(101,749)</b>	<b>(141,498)</b>	<b>(423,373)</b>
<b>Carrying amounts</b>				
<b>At 1 April 2021</b>	<b>155,796</b>	<b>11,727</b>	<b>41,483</b>	<b>209,006</b>
<b>At 31 March 2022</b>	<b>127,828</b>	<b>4,157</b>	<b>38,901</b>	<b>170,886</b>
<b>At 1 April 2022</b>	<b>127,828</b>	<b>4,157</b>	<b>38,901</b>	<b>170,886</b>
<b>At 31 March 2023</b>	<b>99,860</b>	<b>1,147</b>	<b>37,878</b>	<b>138,885</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 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>NOTE 11. RIGHT-OF-USE ASSETS</b>		
Office Buildings	971,593	460,350
Less: Accumulated Depreciation	(425,515)	(251,885)
	<b>546,078</b>	<b>208,465</b>

**NOTE 12. TRADE PAYABLES**

**Current**

Trade creditors	315,509	77,770
Amount due to Parent Company	1,672,778	964,702
Amount due to Related Parties	363,905	283,417
Employee Payables	36	15,638
Accrued Operating Expenses	141,847	281,238
Partner Commission	43,628	64,327
	<b>2,537,703</b>	<b>1,687,092</b>

**Non-Current**

Partner Commission	110,669	281,254
	<b>110,669</b>	<b>281,254</b>

**Note 13. OTHER CURRENT FINANCIAL LIABILITIES**

**Current**

Unearned royalty revenue	129,872	131,054
	<b>129,872</b>	<b>131,054</b>

**Non-Current**

Unearned royalty revenue	180,502	238,503
	<b>180,502</b>	<b>238,503</b>

**NOTE 14. PROVISIONS**

**Current**

Provision for annual leave	130,078	58,855
	<b>130,078</b>	<b>58,855</b>

**Non-Current**

Provision for annual leave and long service leave	1,536,273	1,783,088
Provision for gratuity	38,953	39,021
	<b>1,575,226</b>	<b>1,822,109</b>

**Note 15. OTHER CURRENT LIABILITIES**

Provision for bonus	285,639	296,637
Advance from related parties	692,498	75,688
Withholding tax payable	24,957	21,963
PAYG & superannuation payable	310,658	203,212
Net GST Payable	186,762	255,777
Salary Payable	10,305	10,193
Unearned Revenue	467,343	605,696
	<b>1,978,162</b>	<b>1,469,166</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS**

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	2023	2022
	\$	\$
<b>Note 16. LEASE LIABILITIES</b>		
Current	205,935	99,979
Non-Current	392,496	147,058
	<b>598,431</b>	<b>247,037</b>

**NOTE 17. BORROWINGS - CURRENT**

Amounts Payable to Related Entities - *Unsecured*

Ramco Systems Limited, India	-	5,025,000
Ramco Systems Ltd, Switzerland	2,369,676	1,550,297
Ramco Systems Corporation, USA	5,789,890	4,733,138
<b>Total</b>	<b>8,159,566</b>	<b>11,308,435</b>

**NOTE 18. CONTRIBUTED EQUITY**

(a) Ordinary Shares at the beginning of the year	16,393,000	16,393,000
<i>2023: 16,393,000 Shares issued at \$1.00 each</i>		
<i>(2022: 16,393,000 Shares issued at \$1.00 each)</i>		
Shares issued during the year		
<i>(2023: 5,025,000 Shares issued at \$1.00 each)</i>	5,025,000	-
<b>At Reporting Date</b>	<b>21,418,000</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 19. ACCUMULATED LOSSES**

Accumulated losses at the beginning of the financial year	(26,950,769)	(25,554,720)
Net (loss) attributable to members of the entity	(4,636,673)	(1,392,014)
Foreign exchange translation reserve for gain/(loss)	(936)	(4,035)
<b>Accumulated (losses) at the end of the financial year</b>	<b>(31,588,378)</b>	<b>(26,950,769)</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 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 20. 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	(4,637,609)	(1,396,049)
Non-cash flows in (loss)/profit from ordinary activities		
- Loss on termination of leased asset	(225)	-
- Depreciation	239,026	171,467
Changes in Assets and Liabilities:		
Decrease/(Increase) in trade receivables	(134,104)	188,734
Decrease/(Increase) in other current asset and tax asset	326,121	588,908
Decrease/(Increase) in other financial asset	1,718,641	581,359
(Decrease)/Increase in trade payables	680,026	(958,054)
(Decrease)/Increase in provision	(175,660)	26,509
(Decrease)/Increase in other current liabilities	509,456	373,291
(Decrease)/Increase in other financial liabilities	(59,183)	120,919
<b>Cash Flows (Used In)/From Operations</b>	<b>(1,533,511)</b>	<b>(302,916)</b>

**NOTE 21. SIGNIFICANT EVENTS DURING THE YEAR**

The directors have considered the impact of the Coronavirus pandemic (COVID-19) on the 2023 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 2023.

**NOTE 25. COMPANY DETAILS**

The registered office of the company is:

Ramco Systems Australia Pty Ltd

1198 Toorak Road

CAMBERWELL VIC 3124

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

The principal place of business is:

Ramco Systems Australia Pty Ltd

Level 17, 60 City Road

SOUTHBANK VIC 3006



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	Note	2023 \$	2022 \$
<b>NOTE 26. KEY MANAGEMENT PERSONNEL REMUNERATION</b>			
The totals of remuneration paid to key management personnel (KMP) of the group during the year are as follows:			
Short-Tem Employee Benefits			
- Salary and Bonus		448,398	379,991
- Superannuation		24,861	23,100
- Annual Leave	(a)	299,815	200,995
		<b>773,074</b>	<b>604,086</b>
Long-Tem Employee Benefits			
- Long Service Leave	(a)	90,560	60,478
		<b>90,560</b>	<b>60,478</b>

(a) Annual leave and long service leave represent the provision as at 31 March 2023.

**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	2,251,456	2,117,352
Other Current Assets	7	145,176	479,503
Other Financial Assets	8	1,920,351	3,638,993
Sundry Assets	9	23,739	15,533
		<b>4,340,722</b>	<b>6,251,381</b>

**Financial Liabilities**

Trade Payables	12	2,648,372	1,968,346
Other Current Financial Liabilities	13	310,374	369,557
Provisions	14	1,705,304	1,880,964
Other Current Liabilities	15	1,978,162	1,469,166
Liabilities for Current Tax		67,872	67,412
Lease Liabilities	16	598,431	247,037
Borrowings	17	8,159,566	11,308,435
		<b>15,468,081</b>	<b>17,310,917</b>

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**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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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 28. RELATED PARTY DISCLOSURES</b>		
<b>(a) Payable to Related Parties</b>		
Ramco Systems Limited India	1,672,778	878,358
Ramco Systems Limited India - Unbilled	143,047	193,476
Ramco Systems Sdn. Bhd., Malaysia	-	81,523
Ramco Systems Inc, Phillipines	310,648	8,678
Ramco Systems Pte Ltd, Singapore	590,655	-
Ramco Systems Corporation, USA	58,868	264,595
Ramco Systems Pte Ltd, Hong Kong	11,995	-
PT Ramco Systems Indonesia	9,981	-
Loan Payable - Ramco Systems Limited India	-	5,025,000
Loan Payable - Ramco Systems Corporation, USA	5,789,890	4,733,138
Loan Payable - Ramco Systems Limited, Switzerland	2,369,676	1,550,297
	<b>10,957,538</b>	<b>12,735,065</b>
<b>(b) Receivable from Related Parties</b>		
Ramco Systems Limited, India	394,247	330,177
Ramco Systems Sdn. Bhd., Malaysia	28,403	-
Ramco Systems FZ-LLC, Dubai, United Arab Emirates	144,029	2,952
Ramco Systems Pte Ltd, Singapore	-	208,821
Ramco Systems (Shanghai) Co. Ltd	-	16,842
Ramco Systems Pte Ltd., Hong Kong	30,885	1,072
Ramco Systems Inc, Phillipines	-	8,008
Ramco Systems Corporation, USA	137,563	16,017
Ramco Systems Ltd., Switzerland	13,050	-
Ramco Systems Canada Inc., Canada	4,807	-
	<b>752,984</b>	<b>583,889</b>
<b>(c) Other Transactions in Normal Course of Business - Expenses</b>		
<b>Ramco Systems Limited India</b>		
Salary	34,229	4,727
Travel	260,313	31,609
Transfer pricing	1,660,724	1,254,406
Royalty	1,213,192	781,160
Hosting Fees	73,023	33,195
Others	1,869	25,611
Unbilled Royalty	-	165,138
<b>Ramco Systems Pte Ltd, Singapore</b>		
Salary	213,480	236,862
<b>Ramco Systems Corporation, USA</b>		
Hosting Fees	900,863	613,965
<b>Ramco Systems Sdn. Bhd., Malaysia</b>		
Salary	4,614	20,670
Travel	117	1,304

**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 2023**

	2023	2022
	\$	\$
<b>NOTE 28. RELATED PARTY DISCLOSURES (CONT'D)</b>		
<b>(c) Other Transactions in Normal Course of Business - Expenses (cont'd)</b>		
<b>Ramco Systems Inc, Phillipines</b>		
Salary	63,416	43,264
Travel	1,250	458
<b>Ramco Systems Pte Ltd., Hong Kong</b>		
Salary	7,455	-
Others	4,581	-
<b>PT Ramco Systems Indonesia, Indonesia</b>		
Salary	9,802	-
Travel	185	-
	<b>4,449,113</b>	<b>3,212,369</b>
<b>(d) Other Transactions in Normal Course of Business - Income</b>		
<b>Ramco Systems Limited India</b>		
Salary	1,003,006	944,779
Travel	2,888	300
Outsourcing Cost	-	20,989
Others	-	30
<b>Ramco Systems Pte Ltd, Singapore</b>		
Salary	190,849	85,772
Travel	12,523	-
Others	2,419	-
<b>Ramco Systems (Shanghai) Co. Ltd</b>		
Salary	6,205	18,713
<b>Ramco Systems Sdn. Bhd., Malaysia</b>		
Salary	31,580	129,917
Travel	4,300	-
Others	1,209	-
<b>Ramco Systems Limited, Switzerland</b>		
Salary	13,050	-
<b>Ramco Systems Pte Ltd Hong Kong</b>		
Salary	25,376	-
Travel	4,300	-
Others	1,209	-

**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 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 28. RELATED PARTY DISCLOSURES (CONT'D)</b>		
<b>(d) Other Transactions in Normal Course of Business - Income (cont'd)</b>		
<b>Ramco Systems Canada Inc., Canada</b>		
Salary	4,807	-
<b>Ramco Systems Inc, Phillipines</b>		
Salary	36,317	48,654
Travel	4,945	-
Others	1,391	-
<b>Ramco Systems FZ-LLC, Dubai, United Arab Emirates</b>		
Salary	140,992	37,816
Travel	16,538	-
Others	4,652	-
<b>Ramco Systems Corporation, USA</b>		
Salary	199,683	97,307
Legal Fees	21,590	-
Travel	4,836	-
	<b>1,734,665</b>	<b>1,384,277</b>
<b>(e) Interest on Loans Payable</b>		
Ramco Systems Limited, India	126,485	439,686
Ramco Systems Limited, Switzerland	83,735	47,201
Ramco Systems Corporation, USA	269,081	243,609
	<b>479,301</b>	<b>730,496</b>

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

**DIRECTORS' DECLARATION**

The directors of the group declare that:

1. The financial statements and notes, as set out on pages 3 to 27, 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 2023 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**

**Director**



Dated this 10 day of May 2023



Dated this 10 day of May 2023



## **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 2023, 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 2023 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

##### **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 company 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, operating in a reduced cost environment and ongoing financial support from the parent company. 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 77% (2022-86%) 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 2023 was audited by another auditor who expressed an unmodified opinion on that report on 09 May 2023.

### **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: 10/05/2023



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 2023, 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 auditors 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 2023:

Taxation and Payroll Compliance	\$ 55,540
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**MCG PARTNERS**  
Chartered Accountants

Camberwell  
Melbourne

**HARISH BUDHIRAJA**  
Partner

Date: 10/05/2023

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