RAMCO SYSTEMS DEFENSE AND SECURITY INCORPORATED
(A wholly owned subsidiary of Ramco Systems Corporation, USA)

Financial Statements and Independent Auditors' Report
March 31, 2025 and March 31, 2024

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http://www.ramco.com/

Independent Auditors' Report

To the Board of Director and Shareholder of
Ramco Systems Defense and Security Incorporated

Opinion

We have audited the financial statements of Ramco Systems Defense and Security Incorporated (the "Company"), which comprise the statement of financial position as of March 31, 2025 and March 31, 2024, and the related statements of operations and stockholder's equity, and cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, or the financial position of the Company as at March 31, 2025 and at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United States of America, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also –

- Identify and assess the risks of material misstatement of the financial statements, 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 omission, 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 management.
- Conclude on the appropriateness of management's use of the 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 Company'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 statements 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 Company to cease to continue as going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

LK Certified Public Accountants LLC

LK CPAS LLC
May 14, 2025
Princeton, New Jersey
USA

International Financial Reporting Standards (IFRSs)

Ramco Systems Defense and Security Incorporated prepares its financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Due to the nature of its operations, the financial statements of the Company do not incorporate disclosures relating to:

- Share-based Payment (IFRS 2)
- Insurance Contracts (IFRS 4 and IFRS 17)
- Exploration for an Evaluation of Mineral Resources (IFRS 6)
- Operating Segments
- Investment Entities (IFRS 10)
- Unconsolidated structured entities (IFRS 12)
- Construction Contracts (IAS 11)
- Employee Benefits (IAS 19)
- Government Grants (IAS 20)
- Retirement Benefit Plans (IAS 26)
- Hyperinflation (IAS 29)
- Interim Financial Reporting (IAS 34)
- Agriculture (IAS 41)
- Regulatory Deferral Accounts (IFRS 14)

In addition, the Company does not engage in certain activities (generally undertaken by financial institutions) that would require specific disclosure under IFRS 7 *Financial Instruments: Disclosure*, including:

- Transfers of financial instruments
- Securitization of financial assets and liabilities
- Offsetting of financial assets and financial liabilities.

Please note that additional disclosures may be required in order to comply with local laws, national financial reporting standards and/or stock exchange regulations.

RAMCO SYSTEMS DEFENSE AND SECURITY INCORPORATED, USA
(A wholly owned subsidiary of Ramco Systems Corporation, USA)

Statements of Financial Position

	March 31, 2025	March 31, 2024
Assets		
Non-current assets:		
Property, plant and equipment	$ 14,468	$ 63,053
Right-of-use assets	11,492	60,898
Deferred tax assets	16,682	13,510
Security deposits	11,258	11,258
Total non-current assets	53,900	148,719
Current assets:		
Cash and cash equivalents	$ 9,137	$ 41,527
Trade and other receivables	39,377	33,024
Due from related parties	122,450	110,443
Prepaid taxes and expenses	83,485	17,033
Advance payments to related parties	688,810	711,246
Total current assets	943,259	913,273
Total Assets	**$ 997,159**	**$ 1,061,992**
Stockholder's Equity and Liabilities		
Stockholder's equity:		
Common stock	$ 100,000	$ 100,000
Retained earnings	232,889	223,348
Total stockholder's equity	**$ 332,889**	**$ 323,348**
Non-current liabilities:		
Employee benefit liabilities - non current	$ 4,111	$ 6,150
Lease liabilities - non current	-	14,671
Deferred tax liabilities	16,875	16,875
Total non-current liabilities	$ 20,986	$ 37,696
Current liabilities:		
Trade payables	$ 641	$ 8,732
Due to related parties	56,600	46,564
Accrued expenses	38,000	30,159
Wage payable	6,811	7,404
Employee benefit liabilities - current	3,821	21,912
Lease liabilities - current	14,758	79,699
Provision for taxation	250	74,774
Provision for travel expenses	4,274	-
Pension fund payable	679	-
Unearned revenue	517,450	431,704
Total current liabilities	$ 643,284	$ 700,948
Total Liabilities	**$ 664,270**	**$ 738,644**
Total Stockholder's Equity and Liabilities	**$ 997,159**	**$ 1,061,992**

The Notes to financial statements are an integral part of these statements.

RAMCO SYSTEMS DEFENSE AND SECURITY INCORPORATED, USA
(A wholly owned subsidiary of Ramco Systems Corporation, USA)

Statements of Operations	For the year ended March 31, 2025		For the year ended March 31, 2024	
Income				
Revenue from operations	$	982,243	$	1,362,390
Total Income	**$**	**982,243**	**$**	**1,362,390**
Expenses				
Amortization		49,406		49,410
Bad debt		662		15
Bank service charge		6,140		5,944
Depreciation		14,049		14,051
Due and subscription		12,816		18,314
Employee benefits		-		37,880
Hosting charges		40,934		116,034
Insurance		16,112		38,275
Interest		3,765		8,133
License and registration		54,681		33,954
Office expenses and supplies		-		81
Outsourcing - subcontractor charges		-		41,556
Professional fee		62,135		56,831
Rent and utilities		3,120		1,462
Royalty		220,223		88,495
Sales promotion		-		2,429
Salaries		438,881		513,875
Telephone and internet		-		3,334
Travel		-		5,120
Total Expenses	**$**	**922,924**	**$**	**1,035,193**
Profit before other income and taxes	**$**	**59,319**	**$**	**327,197**
Other income/(expense)				
Reimbursement income	$	14,249	$	-
Loss on disposal of furniture		(33,236)		-
Total other income/(expense)	**$**	**(18,987)**	**$**	**-**
Income tax expense				
Current taxes	$	33,963	$	76,312
Deferred taxes/(benefit)		(3,172)		16,875
Total income tax expense	**$**	**30,791**	**$**	**93,187**
Profit for the year	**$**	**9,541**	**$**	**234,010**

The Notes to financial statements are an integral part of these statements.

RAMCO SYSTEMS DEFENSE AND SECURITY INCORPORATED, USA

(A wholly owned subsidiary of Ramco Systems Corporation, USA)

Statements of Stockholder's Equity

	Common Stock				Retained Earnings/ (Deficits)		Total Stockholder's Equity
	Shares		Amount				
Net income for the year 2024 - 2025	10,000	$	100,000	$	232,889	$	332,889
At March 31, 2025	10,000	$	100,000	$	232,889	$	332,889
Net income for the year 2023 - 2024	10,000	$	100,000	$	223,348	$	323,348
At March 31, 2024	10,000	$	100,000	$	223,348	$	323,348

The Notes to financial statements are an integral part of these statements.

RAMCO SYSTEMS DEFENSE AND SECURITY INCORPORATED, USA
(A wholly owned subsidiary of Ramco Systems Corporation, USA)

Statements of Cash Flows	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities:		
Net Income	$ 9,541	$ 234,010
Adjustments to reconcile (net loss) / profit to net cash used in operating activities:		
Changes in assets and liabilities:		
Depreciation of property, plant and equipment	14,049	14,051
Amortization of right-of -use assets	49,406	49,410
Trade and other receivables	(6,353)	628,700
Prepaid taxes and expenses	(66,452)	(7,033)
Advance payments to related parties	22,436	(271,817)
Deferred tax assets	(3,172)	-
Due from related parties	(12,007)	(110,443)
Trade payables	(8,091)	(42,037)
Accrued expenses	7,841	4,329
Wage payable	(593)	(16,850)
Employee benefit liabilities	(20,130)	(21,486)
Due to related parties	10,036	25,746
Deferred tax liabilities	-	16,875
Provision for taxation	(74,524)	60,098
Provision for fund payable	679	-
Provision for travel expenses	4,274	-
Loss on disposal of furniture	33,236	-
Unearned revenue	85,746	(489,405)
Net cash provided by operating activities	**$ 36,381**	**$ (159,862)**
Cash flows from investing activities:		
Disposal of property, plant, and equipment		
Disposal of furniture	$ 1,300	$ -
Net cash provided by investing activities	**$ 1,300**	**$ -**
Cash flows from financing activities:		
Lease liabilities	$ (79,612)	$ (44,242)
Net cash used in financing activities	**$ (79,612)**	**$ (44,242)**
Net increase / (decrease) in cash and cash equivalents	**$ (32,390)**	**$ 29,906**
Cash and cash equivalents at the beginning of the year	41,527	11,621
Cash and cash equivalents at the end of the year	**$ 9,137**	**$ 41,527**

The Notes to financial statements are an integral part of these statements.

1. Overview

Ramco Systems Defense and Security incorporated (the "Company") was incorporated on November 1, 2021 under the laws of the State of Texas in the United States. The Company is a wholly owned subsidiary of Ramco Systems Corporation (the "Parent"), a company incorporated under the laws of State of California. The Parent company is a majority-owned subsidiary of Ramco Systems Limited (the ultimate parent company), based in India.

The ultimate parent company develops Enterprise Resource Planning (ERP) Software solutions for various verticals in various domains like, Core ERP, Human Resource & Payroll, Aviation Maintenance Repair & Overhaul, Logistics, and Service Resource Planning and provides these with related solutions and services, including managed services. The Software is either delivered on-premise or hosted on cloud. The Company markets the products developed and provides its related consulting services and maintenance to customers located in the America. The Company currently operates in a single segment – Software Solutions & Services.

The Company's fiscal year is from April 1 to March 31, in line with Parent's accounting period and applies accounting standards effective this period.

2. Basis of preparation and presentation of financial statements

Adoption of International Financial Reporting Standards ("IFRS"):

The Company has adopted the IFRS. The adoption of IFRS was done voluntarily to facilitate the consolidation of financials by the Parent.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The accounting policies have been consistently applied to the period presented (from April 1, 2024 to March 31, 2025), unless otherwise stated. The financial statements are presented in U.S Dollars. These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company accounting policies.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 The financial statements have been prepared on the historical cost convention on accrual basis except certain financial instruments that are measured at fair values.

2.2 An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2.3 A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.6 Foreign currencies

The Company's financial statements are presented in USDs, which is also the functional currency. The Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies, if any, are initially recorded at the spot rate on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

As per IAS 21, The Effects of Changes in Foreign Exchange Rates, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

3. Significant accounting policies

a. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

b. Revenue recognition

The Company derives revenues from Software Solutions & Services. Revenues are derived from the following streams:

(1) Revenue from Software Products, in the form of (a) Software Licensing (b) Subscription for Software as a Service (c) Product Support Services and (d) Application Maintenance Services;

(2) Revenue from Software Services, in the form of Implementation /Professional Services

(3) Revenue from Resale of Hardware & Software.

Revenue is measured based on the transaction price, which is the consideration, adjusted for finance components and volume discounts, service level credits, performance bonus, price concessions and incentives, if any, as specified in the contract with the customers.

Revenue is recognized in the profit and loss account upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services or products and excluding taxes or duties. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the contract value to separately identifiable performance obligations based on their relative stand-alone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues depends on the nature of the products sold / services rendered:

(1) Revenue from Software Products

(a) Software Licensing

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.

(c) Product Support Services

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

(d) Application Maintenance Services

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

(2) Revenue from Software Services

Implementation / Professional Services

Software Implementation / Professional Services contracts are either fixed price or time and material based.

Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognized using the “percentage of completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Where the Software is required to be substantially customized as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognized using the percentage of completion method as the implementation services are performed.

Revenues from implementation services in respect of hosting contracts are to be recognized as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship. However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognized in accordance with percentage of completion method.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(3) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognized on transfer of significant risks, rewards and control to the customer.

c. Contract assets, liabilities and financing arrangements

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue).

Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue).

A contract liability is the Company's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue).

The Company assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

d. Finance income

Interest on bank deposits is recognized on accrual basis.

The imputed interest attributable to arrangements having extended credit period is eliminated from the revenue from operations and accounted as interest over the credit period.

e. Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates as per the provisions of the applicable tax laws.

Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognized amounts and intends to settle the asset and the liability on a net basis.

Deferred tax is recognized using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow, all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.

Both current tax and deferred tax relating to items recognized outside the Profit or Loss is recognized either in “Other Comprehensive Income” or directly in “Equity” as the case may be.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Depreciation in the books of the Company is charged on a pro-rata basis on the straight line method over the useful life of the assets.

The useful lives of various assets used by the Company are tabled below:

Asset type	**Useful life (years)**
Purchased software	3
Laptop & desktops	5
Furniture	7
Office equipment	7

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no 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 the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Right-of-use assets

<u>Leases</u>

The Company has adopted IFRS 16 "Leases" policy.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

<u>Company as a lessee</u>

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of use assets representing the right to use the underlying assets.

a) Right-of-use ("ROU") assets

The Company recognizes right-of-use assets at the commencement date, except short term leases and low value leases. The Company's lease asset classes primarily consist of leases for Buildings and Office equipment. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. They are subsequently measured at cost less accumulated depreciation and impairment losses. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

b) Lease liabilities

The Company recognizes lease liability at the commencement date measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rates which are determined periodically, to calculate the present value of lease payments. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., change to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Short term leases and leases of low-value assets

The Company applies the short term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to such leases that are considered to be of low value. Lease payments on short term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangibles, excluding capitalized software development costs, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets of the Company are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

i. Impairment of non-financial assets

The carrying values of the non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss.

j. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company 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 Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognized but disclosed in the financial statements.

Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are neither recognized nor disclosed.

k. Employee benefits expense

Short term employee benefits via, salaries, wages and other benefits are recognized as expenses at the undiscounted amount as per contractual terms in the statement of profit and loss for the year in which the related service is rendered.

l. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when and only when the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognized gains, losses including impairment gains or losses or interest.

a. Financial assets

1. Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.

2. Depending on the business model (i.e.,) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

   a) Amortized cost; or

   b) Fair value through other comprehensive income (FVTOCI); or

   c) Fair value through profit or loss (FVTPL). Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

3. The Company has evaluated the facts and circumstances on date of transition to IFRS the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business model
Amortized cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realize its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

4. Financial assets are de-recognized (i.e.,) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also de-recognizes when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

   a. significant risk and rewards of the financial asset, or

   b. control of the financial asset.

   However, the Company continue to recognize the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

5. Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the Statement of Profit and Loss.

6. For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Accordingly, the impairment testing is done on the following basis:

Name of financial asset	Impairment testing methodology
Trade receivables and unbilled license revenue	Expected Credit Loss model (ECL) is applied using 12 month ECL method. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss experience reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the lifetime. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

b. Financial liabilities

1. Financial liabilities comprises of Trade payables and other financial liabilities.

2. The Company measures its financial liabilities as below:

Measurement basis	Names of Financial liabilities
Amortized cost	Borrowings, Trade payables, Interest accrued, Security deposits and other financial liabilities not for trading.

3. Financial liabilities are de-recognized when and only when it is extinguished (i.e.,) when the obligation specified in the contract is discharged or cancelled or expired.

   Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognized in the Statement of Profit and Loss.

m. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into cash.

n. Cash dividend

The Company recognizes a liability to make cash dividend, when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity including applicable taxes.

o. Statement of cash flows

Cash flows are presented using indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Operating segments

The Company's business operation comprises of single operating segment, Software and related solutions. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

q. Assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

4. Significant estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgments in preparation and presentation of financial statements

4.1 Property, plant and equipment (PPE)

The residual values and estimated useful life of PPEs, are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/ amortization/impairment.

4.2 Current taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgment by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

4.3 Deferred tax assets

Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.4 Contingent liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies/ claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.5 Impairment of financial assets

The impairment of financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward looking estimates at the end of each reporting date.

4.6 Impairment of non-financial assets (PPE)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgment considering the timing of future cash flows, discount rates and the risks specific to the asset.

4.7 Impairment of Investments in Subsidiaries

Significant management judgement is exercised in determining whether the investment in subsidiary is impaired or not, is on the basis of its nature of long term strategic investments and other business considerations.

4.8 Revenue recognition

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Company applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Company exercises judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgment is also required to determine the transaction price for the contract.

The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

5. Adoption of New and Revised Standards

5.1 Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In September 2019, the IASB issued *Interest Rate Benchmark Reform* (*Amendments to IFRS 9, IAS 39 and IFRS 7*). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

On August 27, 2020, the IASB issued Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) with amendments that address issues that might affect financial rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after January 1, 2021.

The Company does not have financial assets related to hedging items nor instruments. The reformed amendment is not applicable to the Company.

5.2 Amendments to IFRS 16 regarding COVID-19-related rent concessions

In May 2020, the IASB issued *Covid-19-Related Rent Concessions* (*Amendment to IFRS 16*) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and

- There is no substantive change to other terms and conditions of the lease.

On March 31, 2021, the IASB published Covid-19 –Related Rent Concessions beyond June 30, 2021 (amendment to IFRS 16) that extends, by one year the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-Related rent concession is a lease modification. The amendment is effective for annual reporting a periods beginning on after April 1, 2021.

Though the outbreak of Novel Coronavirus ('COVID-19') has impacted the business, the Company has, based on information available, taken into account the possible impact of COVID-19, including on the carrying amounts of financial and non -financial assets and as per the current assessment of the Company, there is no material impact in respect of these in the preparation of the financial statements.

5.3 Amendments to IFRS 3 to update a reference to the Conceptual Framework

The IASB issued “Definition of a Business (amendment to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on after January 1, 2020.

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the abilities to create outputs;

- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;

- Add guidance and illustrative examples to help entitles assess whether a substantive process has been acquired;

- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and

- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

On May 14, 2020, the IASB issued "Reference to the Conceptual Framework (Amendments to IFRS 3)" with amendments to IFRS 3 "Business Combinations" that updated an outdated reference in IFRS 3 without significantly changing its requirements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022

5.4 Amendments to IAS 37 regarding onerous contracts

On May 14, 2020, the IASB issued "Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)" amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

The reformed amendment is not applicable to the Company.

5.5 Conclusion of the 2018-2020 annual improvements cycle

The IASB has issued "Annual Improvements to IFRS Standard 2018-2020". The pronouncement contains amendments to four international Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements projects

- IFRS 1 First-time Adoption of International Financial Reporting Standards

  Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

- IFRS 9 Financial Instruments

  Fees in the "10 percent" test for de-recognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the "10 percent" test in paragraph B3.6

of IFRS 9 in assessing whether to derecognize a financial liabilities. An entity includes only as fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either entity or the lender on the other's behalf.

- IFRS 16 Leases

  Lease incentives. The amendments to IFRS 16 removes the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives.

- IAS 41 Agriculture

  Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological assets using a present value technique. This will ensure consistency with the requirements in IFRS 13.

On May 14, 2020, the IASB issued "Annual Improvements to IFRS Standards 2018-2020". The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project. The amendments are effective on or after January 1, 2022.

The Company has applied IFRS 1 amended IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after January 1, 2022.

5.6 Amendments to IAS 16 regarding proceeds before intended use.

On May 14, 2020, the IASB issued "Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)" regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The reformed amendment is not applicable to the Company.

5.7 Amendments effective from January 1, 2023

- IFRS 17 Insurance Contracts

  The amendments sets out the requirements for a company reporting information about insurance contracts it issues and reinsurance contracts it holds. The amendment are aimed at helping companies implement the Standard and making it easier for then to explain their financial performance.

- IAS 8 Definition of Accounting Estimates

  The amendment introduced the definition of accounting estimates and included other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies.

- IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

  The amendments replace the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

- IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

  The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary difference. The amendments apply to transactions such as leases and decommissioning obligation.

5.8 Amendments effective from May 23, 2023

- IAS 12 International Tax Reform

  The amendments clarify the application of IAS 12 income taxes to income taxes arising from tax law enacted or substantively enacted to implement the Organization for Economic Co-operation and Development (OECD/G20 inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes)

  The amendments introduce (1) A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and (2) Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

5.9 Amendments effective from January 1, 2024

- IAS1 Classification of Liabilities as Current or Non-current

  Classification of Liabilities as Current or Non-current clarifies a criterion in IAS 1 Presentation of Financial Statements for classifying a liability as non-current: the requirement for an entity to have the right to defer of the liability for at least 12 months after the reporting period.

- FRS 16 Lease Liability in a Sale and Leaseback

  The amendments clarify how a seller-lessee subsequently measures sale and lease-back transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

- IAS 1 Non-current Liabilities with Covenants

  The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.

- IAS 1 and IFRS 7 Supplier Finance Arrangements

  Supplier Finance Arrangements amends IAS 7 Statement of Cash Flows to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments also add supplier finance arrangements as an example within the liquidity risk disclosure requirements of IFRS 7 Financial Instruments: Disclosures

- IAS 12 /International Tax Reform – Pillar Two Model Rules

  International Tax Reform—Pillar Two Model Rules amends IAS 12 Income Taxes. The amendments introduce a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also introduce targeted disclosure requirements for affected entities.

The Company has adopted the above Standards and disclosures have been made wherever applicable.

5.10 Amendments effective from January 1, 2025

- IAS 21 Lack of Exchangeability

  Lack of Exchangeability amends IAS 21 The Effects of Changes in Foreign Exchange Rates to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The Company has adopted the above Standards and disclosures have been made wherever applicable.

5.11 New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 9 and IFRS 7 Financial Instruments and Disclosures (Effective date January 2026)

  On May 30, 2024, the IASB issued amendments to:

  (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  (b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  (c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  (d) Update the disclosures for equity instruments designed at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

These new requirements will apply from January 1, 2026, with early application permitted. The Company does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

5.12 Subsequent Events

These financial statements were approved by management and available for issuance on April 30, 2025. Management has evaluated subsequent events through this date.

6. Financial instruments and concentration of risk

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

6.1 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.

(1) Interest rate risk: Interest rate risk is part of market risk (the other market risks being currency risk and other price risk) and is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(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 with trade payables.

The Company does not have any exposure to the above risk as at March 31, 2025.

6.2 Credit risk

Credit risk is the risk of financial loss to the Company, if the customer or counter party to the financial instruments fails to meet its contractual obligations and arises principally from the Company’s receivables and treasury operations.

Customer credit risk is managed by the Company’s established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled if any, are regularly monitored and the Company creates a provision based on expected credit loss model.

- Account receivables and unbilled revenues

- Credit risk exposure

- Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties. The Company is exposed to counter party risk relating to deposits with banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

6.3 Liquidity risk

Liquidity risks are those risks that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

7. Trade and other receivables

As of March 31, 2025, the balances of trade receivables were as follows:

	03/31/2025	03/31/2024
Trade and other receivables	$ 39,377	$ 33,024

Trade receivable and other receivables represent amounts due from customers for services rendered, with payment terms generally 30 days.

Trade and other receivables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. The provision for impairment is established based on an assessment of the expected credit losses on outstanding receivables, taking into account historical experience, current economic conditions, and other relevant factors.

As of March 31, 2025, the Company had a significant concentration of credit risk with a customer. The Company's sales term and conditions do not provide for collateral or security for trade receivable.

8. Prepaid taxes and expenses

As of March 31, 2025, the balances of prepaid expenses were as follows:

	03/31/2025	03/31/2024
Prepaid taxes and expenses	$ 83,485	$ 17,033

Prepaid taxes and expenses represent provisions/payments made in advance for the services for which the future economic benefits associated will flow to the entity and advance payment of the corporate taxes.

Prepaid expenses represent payments made in advance for services that will be received in a future period. These expenses are recognized as assets when they meet the definition of an asset and when it is probable that future economic benefits associated with the asset will flow to the entity.

The Company regularly reviews the carrying amount of prepaid expenses to ensure that they are not carried at an amount in excess of their recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in profit or loss.

9. Advance payments to related parties

As of March 31, 2025, the balances of advance payments to related parties were as follows:

	03/31/2025	03/31/2024
Advance payments to related parties	$ 688,810	$ 711,246

As of March 31, 2025, the Company had made advance payments of $688,810 to the Parent company to cover the Company's expenditures on its behalf. These advance payments are reported as current assets on the Company's balance sheet. In the absence of any pending expenditures, the advance payments would be remitted back to the Company.

Since the advance payments have been made to the Parent company, the risk of non-delivery is not considered significant. Consequently, there has been no recognition of any provision for impairment of the advance payment asset.

10. Property, Plant and Equipment

As of March 31, 2025, the Company had the following fixed assets:

Category	Cost	Acc. Depreciation	Net Book Value
Equipment	$ 33,287	$ 18,819	$ 14,468

Equipment is depreciated on a straight-line basis over its estimated useful life of 5 years. Furniture and Fixture is depreciated on a straight-line basis over its estimated useful life of 7 years.

The Company disposed of Furniture with a book value of $34,536 for $1,300 during 2024, resulting in a loss of $33,236.

The reviews the carrying value of its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No impairment charges were recognized during the year ended March 31, 2025.

11. Lease

The Company started leasing the office in Texas in the United States under an operating agreement beginning April 25, 2022 and ending June 30, 2025. The Company will recognize right-of-use assets (IFRS 16 "Lease" policy) at the commencement date, April 25, 2022.

The terms of lease are as follow:

Time Period	Rentable Square Feet (RSF)	Rent per RSF	Annual Base Rent	Monthly Base Rent
04/25/22-06/30/23	1500	22	N/A	$ 2,750.00
07/01/23-06/30/24	2500	22.5	$ 56,250.00	$ 4,687.50
07/01/24-06/30/25	3861	23	$ 88,803.00	$ 7,400.25

In addition to the base rent, for each calendar year, the Company's pro rata share of the amount of (i) landlord's Operating Expenses, (ii) Taxes, (iii) Insurance Costs and (iv) Electrical Cost will be charged based on the total rental square feet. For calendar year 2024, the estimated additional rent per square foot of net rental area is $11.99.

The following table summarizes the company's lease obligations as of March 31, 2025

	Operating Lease
Right-of-Use assets	$ 11,492
Lease liabilities	$ 14,758

Operating lease is recognized as a right-of-use assets and lease liability on the balance sheet. The company has determined the lease term for each lease agreement based on the non-cancellable period of the lease, including any periods covered by an option to extend or terminate the lease when it is reasonably certain that the company will exercise that option.

The Company determines the discount rate used to measure the lease liability at the commencement of the lease term based on the rate of interest implicit in the lease if that rate can be readily determined. If not, the Company uses its incremental borrowing rate based on the information available at the commencement date.

Lease payments for operating leases are recognized on a straight-line basis over the lease term, and lease payments for finance leases are apportioned between interest expense and reduction of the lease liability using the effective interest method.

The Company has taken an office in Dallas County, Irving, Texas on lease basis for 3 years effective April 25, 2022. As of the balance sheet date, the Company does not have any leases outstanding.

12. Income tax

Tax provision for the year ended March 31, 2025 is as follows:

	Current tax	Deferred tax benefit
Income tax expenses	$ 33,963	$ (3,172)

The Company's effective federal tax rate for the year ended March 31, 2025 is 21%.and state tax rates are as follow:

State	Tax rate
California	8.84%
Alabama	6.50%

The Company has recognized deferred tax assets and liabilities for the temporary difference between the carrying amounts of assets and liabilities in the financial statements and their tax basis, using the tax rate enacted or substantively enacted at the balance sheet date.

The Company regularly reviews its deferred tax assets and liabilities to assess the realizability of the Deferred tax assets and the appropriateness of the deferred tax liabilities. As of March 31, 2025, the company has not recognized a valuation allowance for its deferred tax assets.

13. Common stock

Authorized to issue:	One million common shares
Issued and capital:	10,000 shares issued to Ramco Systems Corporation for $100,000
Voting:	Each holder of common stock is entitled to one vote per share.

14. Trade payables

The following table summarizes the Company's trade payables as of March 31, 2025:

	03/31/2025	03/31/2024
Trade and other payables	$ 641	$ 8,732

The Company's trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

The Company regularly reviews its trade payables to ensure that they are recognized at the appropriate amount and that any necessary adjustments are made in a timely manner.

15. Accrued expenses

The following table summarizes the company's accrued expenses as of March 31, 2025:

	03/31/2025	03/31/2024
Accrued expenses	$ 38,000	$ 30,159

Accrued expenses represent amounts owed by the Company for goods and services received but not yet paid for as of the balance sheet date.

The Company's accrued expenses are recognized when the goods or services have been received, and the amount can be reliably estimated. The Company regularly reviews its accrued expenses to ensure that they are recognized at the appropriate amount and that any necessary adjustments are made in a timely manner.

16. Wage payable

The following table summarizes the company's accrued expenses as of March 31, 2025:

	03/31/2025	03/31/2024
Wage payable	$ 6,811	$ 7,404

Wage payable represents amounts owed by the Company to its employees for work performed but not yet paid for as of the balance sheet date. The company's wage payable is recognized when the employees have performed the work, and the amount can be reliably estimated. The Company regularly reviews its wages payable to ensure that they are recognized at the appropriate amount and that any necessary adjustments are made in a timely manner.

17. Unearned revenue

The following table summarizes the company's unearned revenue as of March 31, 2025:

	03/31/2025	03/31/2024
Unearned revenue	$ 517,450	$ 431,704

Unearned revenue represents amounts received by the Company from customers for goods or services that have not yet been delivered or performed as of the balance sheet date.

The Company recognizes unearned revenue as revenue when the goods or services are delivered or performed, and the amount can be reliably estimated. The Company regularly reviews its unearned revenue to ensure that it is recognized at the appropriate amount and that any necessary adjustments are made in a timely manner.

18. Related party transactions

The following table summarizes the Company's related party transactions during the reporting period:

Related party	Nature of transaction	Amount	Relation
Ramco Systems Corporation	Due from related parties	$ 122,450	Parent
Ramco Systems Limited	Due to related parties	$ 56,600	Ultimate parent
Ramco Systems Corporation	Advance payments	$ 688,810	Parent

The Company has engaged in transactions with related parties during the reporting period. Related parties include the Company's parent company and ultimate parent company in India over which they have control or significant influence.

The Company has disclosed related party transactions in accordance with IAS 24 - Related Party Disclosures. The Company has also disclosed the nature of the related party relationships and any transactions or balances outstanding at the end of the reporting period.

The Company has ensured that transactions with related parties are conducted on arm's length terms and conditions, and that any potential conflicts of interest are disclosed and managed appropriately.

The Company's policy for related party transactions is reviewed regularly to ensure compliance with relevant accounting standards and regulations.

The Company believes that its related party transactions are conducted in the normal course of business and do not have a material impact on the Company's financial performance or position. However, the Company recognizes that related party transactions can be subject to increased scrutiny, and has therefore provided additional disclosures to ensure transparency and promote investor confidence.

19. Events after the reporting date

There were no material events after the statement of financial position that have a bearing on the understanding of these financial statements

20. Approval of the financial statements

The financial statements for the year ended March 31, 2025 were authorized for issue by the board of directors on May 14, 2025

Director: R. Ravi Kula Chandran