

**FINANCIAL STATEMENTS OF
M/s.RAMCO SYSTEMS FZ-LLC
DUBAI INTERNET CITY, DUBAI - (U.A.E.)
FOR THE YEAR ENDED
31 MARCH 2025**

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COMPANY INFORMATION

1. Name & Address of the Company

M/s. Ramco Systems FZ-LLC
P. O. Box 500189
Dubai Internet City
Dubai (U.A.E.)
Tel: 04 - 3685394

Location: Dubai Internet City, Dubai (U.A.E.)

2. Bankers to the Company

- 2.1 Citibank
Dubai Branch
P. O. Box 749
Dubai (U.A.E.)
- 2.2 El-Nilein Bank
Abu Dhabi Branch
P. O. Box 46013
Abu Dhabi (U.A.E.)
- 2.3 Mashreq Bank
Dubai Internet City Branch
P. O. Box 500287
Dubai (U.A.E.)
- 2.4 HSBC Bank
Bur Dubai Branch
P. O. Box 66
Dubai (U.A.E.)

3. Auditors to the Company

M/s.SALIM RAJKOTWALA
Chartered Accountants
P. O. Box 40972,
Dubai (U.A.E.)

Tel: 04 - 2368945
Fax: 04 - 2368944

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OFFICE BEARERS

Directors

1. Mr. Venketrama Raja P.R. Raja
P. O. Box 500189
Dubai Internet City

Tel: 04 - 3685394
2. Mr. Ramamurthy Ravi Kula Chandran
P. O. Box 500189
Dubai Internet City

Tel: 04 - 3685394
3. Mr. Venkataramanan Harikrishnan
P. O. Box 500189
Dubai Internet City

Tel: 04 - 3685394
4. Mr. Thantalur Venkata Perumal Alagaraja Raja
Dubai Internet City
P. O. Box 500189
Dubai Internet City

Tel: 04 - 3685394

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF
M/s.RAMCO SYSTEMS FZ-LLC, DUBAI INTERNET CITY

The Directors are pleased to present herewith the report of the Board of Directors of the Company for the year ended 31 March 2025.

Financial Results

The net (loss) for the year after all expenses is	AED	(1,734,311)
Retained profits brought forward from previous year	AED	(4,794,919)
And the net surplus carried forward is	AED	<u>(6,529,230)</u>

Dividend

The Company has a net deficit of AED 6,529,230. The Directors do not recommend distribution of any dividend during the year.

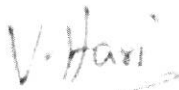
Directors and Key Managerial Personnel

As per the resolution dated 12th February 2025, M/s. Ramco Systems FZ-LLC has appointed Mr. Thantalur Venkata Perumal Alagaraja Raja as a Director, in compliance with Article 14 of the Company's Articles of Association. The amendment was recorded in the Register of Directors on 28th April 2025.

Auditors

The Board of Directors recommend re-appointing M/s.Salim Rajkotwala Chartered Accountants, Dubai (U.A.E.), as Auditors to the Company for the year to end on 31 March 2026.

On behalf of the Board of Directors



Mr. Venkataramanan Harikrishnan
Director



Mr. Ramamurthy Ravi Kula Chandran
Director

Date: 16 May 2025

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF **M/s. RAMCO SYSTEMS FZ-LLC** **DUBAI INTERNET CITY - (U.A.E.)**

Opinion

We have audited the financial statements ("the financial statements") of **M/s. RAMCO SYSTEMS FZ-LLC, DUBAI INTERNET CITY, U.A.E.** (the "Company") which comprise the balance sheet as at **31st March 2025**, statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on Pages 4 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the state of the Company's affairs as at 31st March 2025 and of the Company's financial performance and cash flows for the year then ended and have been prepared in accordance with Indian Accounting Standards ("Ind AS").

Emphasis of Matter

Without qualifying our opinion, we draw attention to the note no. 2 in the financial statements. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the year ended 31 March 2025, accumulated losses AED 6,529,230 exceeds the Company's share capital by AED 6,479,230. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern, since the shareholder has committed to provide such financial support as may be required to enable the Company to meet its debts and obligations as they fall due.

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 section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with applicable law in the United Arab Emirates and Indian Accounting Standards ("Ind AS"), and for such internal control as the management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.



Contd...[2]

Independent Auditor's Report (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2025

Management's Responsibility (continued)

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 intend to liquidate the Company, or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

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 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 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 judgment 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 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 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 a 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.



Contd...[3]

Independent Auditor's Report (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2025

Auditor's Responsibilities (continued)

- * Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with the management 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.

Report on Other Regulatory Matters

We also confirm that in our opinion proper books of account have been kept by the Company, and that these financial statements and the contents of the Directors' Report are in agreement with the books of account. We have obtained all the information and explanations we required for the purpose of our audit, and to the best of our knowledge and belief no breach of the Free Zone Regulations and applicable laws or the Memorandum of Association of the Company has occurred during the year which would have had a material effect on the Company's business or financial position.



SALIM RAJKOTWALA CHARTERED ACCOUNTANTS
DUBAI

17 MAY 2025

Registration No. 805

RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
BALANCE SHEET AS AT 31 MARCH 2025
IN UAE DIRHAMS

	<u>Notes</u>	<u>31.03.2025</u>	<u>31.03.2024</u>
<u>ASSETS</u>			
Property and equipment	4	33,138	42,946
Right-to-use assets	5	174,404	-
Financial assets			
Accounts receivables	6(i)	-	-
Security deposits		94,216	95,334
Unbilled licenses revenue	8(i)	-	789,029
Total non-current assets		<u>301,758</u>	<u>927,309</u>
<u>Current assets</u>			
Financial assets			
Accounts receivables	6(ii)	1,698,985	3,724,458
Accounts receivables related parties	7	1,492,643	414,179
Bank balances	9	618,309	528,287
Other financial assets			
Employee advance		121,527	91,745
Unbilled licenses revenue	8(ii)	11,264	116,646
Loan to a related party	10	-	3,214,011
Other current assets			
Advance to suppliers		96,154	92,044
Advance to a related party		133,084	-
Prepaid expenses		340,635	227,468
Unbilled services revenue	8(ii)	114,928	368,979
Total current assets		<u>4,627,529</u>	<u>8,777,817</u>
Total assets		<u>4,929,287</u>	<u>9,705,126</u>
<u>SHAREHOLDERS' FUNDS AND LIABILITIES</u>			
<u>Shareholders' funds</u>			
Share capital	11	50,000	50,000
Retained (loss)/profit		(6,529,230)	(4,794,919)
Total Shareholders' funds		<u>(6,479,230)</u>	<u>(4,744,919)</u>
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Financial liabilities			
Other non-current liabilities			
Unearned revenue	12(i)	21,035	-
Provision for gratuity and leave encashment	13(i)	1,378,461	1,092,125
Total non-current liabilities		<u>1,399,496</u>	<u>1,092,125</u>

Contd...[5]



Balance Sheet (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2025

	<u>Notes</u>	<u>31.03.2025</u>	<u>31.03.2024</u>
Current liabilities			
Financial liabilities			
Accounts payables related parties	14	1,406,733	3,273,886
Accounts payables		1,046,739	1,783,553
Lease liabilities	15	171,020	-
Other financial liabilities, related parties		-	-
Provisions for customer contract obligations	16	265,948	-
Provision for gratuity and leave encashment	13(ii)	138,979	142,545
Other current liabilities			
Expenses payable		590,114	1,041,616
Value Added Tax payable		26,637	59,430
Unearned revenue	12(ii)	6,362,851	7,056,890
Total current liabilities		<u>10,009,021</u>	<u>13,357,920</u>
Total liabilities		<u>11,408,517</u>	<u>14,450,045</u>
Total Shareholders' funds and liabilities		<u><u>4,929,287</u></u>	<u><u>9,705,126</u></u>

Annexed Schedule of Notes forms an integral part of these financial statements.

For RAMCO SYSTEMS FZ-LLC

V. Hari
 DIRECTOR

R. N. K.
 DIRECTOR

INDEPENDENT AUDITOR'S REPORT - PAGE 1 to 3



RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025
IN UAE DIRHAMS

	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>Income</u>			
Revenue from operations			
Revenue from software products		8,957,028	8,466,869
Revenue from software services		9,593,420	9,486,063
Finance income		181,438	545,113
Other income	17	922,673	-
Total income		<u>19,654,559</u>	<u>18,498,045</u>
<u>Expenses</u>			
Royalty to related parties		2,780,609	2,656,107
Service fees to related parties		6,422,542	6,399,014
Employee benefits expense		6,248,071	8,334,478
Finance costs			
Interest on lease liability		18,117	3,748
Interest on loan from banks		-	450
Other finance costs		-	65,100
Depreciation expense		20,320	14,999
Depreciation on leased assets		145,899	150,179
Other expenses	18	5,753,312	24,500,980
Total expenses		<u>21,388,870</u>	<u>42,125,055</u>
Net (Loss) before tax		<u>(1,734,311)</u>	<u>(23,627,010)</u>
Less : Tax expense	19	-	-
NET (LOSS) FOR THE YEAR		<u>(1,734,311)</u>	<u>(23,627,010)</u>

Annexed Schedule of Notes forms an integral part of these financial statements.

For RAMCO SYSTEMS FZ-LLC

V. Hari
 DIRECTOR

ORANK
 DIRECTOR

INDEPENDENT AUDITOR'S REPORT - PAGE 1 to 3



RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025
IN UAE DIRHAMS

	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net (loss) for the year		(1,734,311)	(23,627,010)
Adjustments for:			
Depreciation expense		20,320	14,999
Depreciation on leased assets		145,899	150,179
Provisions for customer contract obligations		265,948	-
Provisions for gratuity and leave encashment		307,417	339,914
Operating (loss) before working capital changes		(994,727)	(23,121,918)
Decrease in accounts receivable and prepayments		3,027,994	23,870,680
(Decrease) in accounts payable and accruals		(1,894,113)	(4,953,905)
(Increase) in advance paid to related parties		(133,084)	-
Decrease in amounts due from related parties		2,135,547	4,608,294
(Decrease)/Increase in amounts due to related parties		(1,867,153)	561,475
(Decrease) in other financial liabilities to related parties		-	(174,046)
Payment for gratuity and leave encashment		(24,647)	(583,757)
Net cash received from operating activities	(A)	<u>249,817</u>	<u>206,823</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of fixed assets		(10,512)	(24,212)
Addition of right to use of assets		(320,303)	-
Net cash (used in) investing activities	(B)	<u>(330,815)</u>	<u>(24,212)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease)/Increase in lease liabilities		171,020	(143,651)
Net cash(used in)/ received from financing activities	(C)	<u>171,020</u>	<u>(143,651)</u>
Net increase in cash and cash equivalents	(A+B+C)	<u>90,022</u>	<u>38,960</u>
Cash and cash equivalents - beginning of the year		528,287	489,327
Cash and cash equivalents - end of the year	20	<u><u>618,309</u></u>	<u><u>528,287</u></u>

For RAMCO SYSTEMS FZ-LLC

V. Hari
DIRECTOR

R.M.K
DIRECTOR

INDEPENDENT AUDITOR'S REPORT - PAGE 1 to 3



RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025
IN UAE DIRHAMS

	<u>Share Capital</u>	<u>Retained Profit/(Loss)</u>	<u>Total</u>
Balance as on 31.03.2023	50,000	18,832,091	18,882,091
(Loss) for the year	-	(23,627,010)	(23,627,010)
Balance as on 31.03.2024	50,000	(4,794,919)	(4,744,919)
(Loss) for the year	-	(1,734,311)	(1,734,311)
Balance as on 31.03.2025	50,000	(6,529,230)	(6,479,230)

For RAMCO SYSTEMS FZ-LLC

V. Hari

DIRECTOR

R. K.

DIRECTOR

INDEPENDENT AUDITOR'S REPORT - PAGE 1 to 3



RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
SCHEDULE OF NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FIGURES IN UAE DIRHAMS

1. LEGAL STATUS

- 1.1 M/s. RAMCO SYSTEMS FZ-LLC, DUBAI INTERNET CITY, U.A.E., is a Free Zone Company incorporated on 22nd June 2011, with limited liability registered under Dubai Technology Electronic Commerce and Media Free Zone Dubai, U.A.E. The following is its shareholder:

	Share in Capital/ Profit & Losses
M/s. Ramco Systems Limited, India	100%
	<u>100%</u>

- 1.2 The Company is involved in the Information Technology industry and the principal activities of the Company are software and systems development, software sales, consultancy and related services.
- 1.3 The principal place of business of the Company is located at Dubai Internet City, Dubai, U.A.E.

2. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the year ended 31 March 2025, accumulated losses AED 6,529,230 exceeds the Company's share capital by AED 6,479,230. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern, since the shareholders have committed to provide such financial support as may be required to enable the Company to meet its debts and obligations as they fall due.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been re-structured from International Financial Reporting Standards ("IFRS"), (2019) to Indian Accounting Standards ("Ind AS"), (as prescribed under the Companies Act in India) in order to facilitate the global consolidation by the Parent Company, in accordance with the internal rules for consolidation. There is no material impact from restructuring these financial statements from IFRS to Ind AS. Management of the Company is responsible for these re-structured financial statements.

The following accounting policies have been consistently applied in dealing with items considered material to the Company's financial statements:



3.1 Accounting Convention

These financial statements have been prepared under the historical cost convention.

3.2 Accrual Concept

Income and expenditure have been accounted on accrual basis.

3.4 Property, Equipment and Depreciation

Property and equipment are stated at cost less accumulated depreciation. Cost is depreciated on straight-line basis over their expected useful lives as follows:

<u>Item</u>	<u>No. of years</u>	<u>Percentage</u>
Furniture, fixtures & office equipment	4 years	25%
Computer hardware	3-4 years	33.33%

3.5 Accounts Receivables

Accounts receivables are recognized for amounts to be received in future for goods or services delivered. An impairment analysis is performed at each reporting date using a specific identification of defaulting customers and provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivables are written-off from books when they become bad, irrecoverable and are not subject to enforcement activity.

3.6 Accounts Payable and Accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the Company.

3.7 Employee Benefits

Provision has been made in the accounts for End-of-Term and other benefits accruing to staff as per the UAE Labour Law and contractual agreements.



3.8 Foreign Currency Conversion

Balances in foreign currencies have been converted into UAE Dirhams at the rate of exchange prevailing at the balance sheet date.

Transactions in foreign currencies are converted at rates ruling when the transaction was entered into.

Gains or losses resulting from foreign currency transactions are taken to profit and loss account.

3.9 Revenue Recognition

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

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;

Revenue from Software Services, in the form of (a) Implementation / Professional Services (b) Managed Services;

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 recognised 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 recognise 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) recognise 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 recognised 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.

3.9 Revenue Recognition (continued)

The method for recognising 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 customisation of the underlying software, revenue is recognised 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 recognised 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 recognised 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 customised software, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

2) Revenue from Software Services**(a) 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 recognised 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 customised 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 recognised using the percentage of completion method as the implementation services are performed.

3.9 Revenue Recognition (continued)**2) Revenue from Software Services**

Revenues from implementation services in respect of hosting contracts are to be recognised 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 recognised in accordance with percentage of completion method.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised 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 recognised 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 standardisation set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognised in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(b) Managed Services

Fees for managed services, which include business processing services, are recognised as revenue as the related services are performed.

3) Revenue from Resale of Hardware & Software

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

4) Revenue from Finance Income

Revenue from finance income is recognised based on the imputed interest attributable to arrangements having extended credit period which is eliminated from the revenue from operations and accounted as interest over the credit period.

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).

3.9 Revenue Recognition (continued)

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 an entity'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.

Value Added Tax (VAT)

Revenue, expenses and assets are recognised at amounts net of value added tax except:

(a) where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.

(b) where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

3.10 Cost of Sale

Cost of sales includes purchases and other direct expenses.

3.11 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement consist of cash, balances with banks, bank overdraft and deposits with banks with a maturity of three months or less from the date of deposit.

3.12 Impairment of Assets

Financial Assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables.

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Refer to note 22 on credit risk for further detail.

Non-financial Assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the profit and loss account. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the profit and loss account.

3.13 Financial Instruments

Financial instruments comprise cash, bank balances, deposits, advances, trade debtors, amounts due from/to related parties, trade creditors, and accruals. The financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.



3.14 Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Company has identified that it has one long-term lease in the current financial year. Management has decided to use the Modified Approach to account for its long-term lease and has accounted for the same through a Right-of-Use asset and a Lease Liability. The Right-of-Use asset is depreciated over the life of the lease and interest is accrued on the lease liability at the incremental borrowing rate of the Company.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

3.15 Taxation

Income taxes, if applicable, have been provided for in the financial statements in accordance with legislation enacted by the end of the reporting year. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it related to transactions that are also recognised, in the same or different period, in other comprehensive income to directly in equity. Taxable profits or losses are based on estimated if the financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax balances are measured at tax rates enacted at the end of the reporting period, which are expected to apply in the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



	<u>31.03.2025</u>	<u>31.03.2024</u>
4. <u>PROPERTY AND EQUIPMENT</u>		
<u>FURNITURE, FIXTURES & OFFICE EQUIPMENT</u>		
<u>Cost</u>		
As at 31.03.2024	253,338	229,126
Addition during the year	10,512	24,212
As at 31.03.2025	<u>263,850</u>	<u>253,338</u>
<u>Less: Depreciation</u>		
Upto 31.03.2024	210,392	195,393
For the year	20,320	14,999
Upto 31.03.2025	<u>230,712</u>	<u>210,392</u>
<u>Net Book Value</u>		
As at the year ended 31.03.2025	<u>33,138</u>	<u>42,946</u>
As at the year ended 31.03.2024	<u>42,946</u>	<u>33,733</u>
5. <u>RIGHT-TO-USE ASSETS</u>		
<u>LEASEHOLD PREMISES</u>		
<u>Cost</u>		
As at 31.03.2024	859,372	859,372
Addition during the year	320,303	-
As at 31.03.2025	<u>1,179,675</u>	<u>859,372</u>
<u>Less: Depreciation</u>		
Upto 31.03.2024	859,372	709,193
For the year	145,899	150,179
Upto 31.03.2025	<u>1,005,271</u>	<u>859,372</u>
<u>Net Book Value</u>		
As at the year ended 31.03.2025	<u>174,404</u>	<u>-</u>
As at the year ended 31.03.2024	<u>-</u>	<u>150,179</u>

Note:

The renewal for the lease was for a period of 24 months and began on 1st April 2024.



6. ACCOUNTS RECEIVABLE(i) Non-current portion

Accounts receivable (Notes: a, b, c, d, e & f)	14,549,471	15,913,657
Less: Provision for doubtful debts	(14,549,471)	(15,913,657)
	-	-

(ii) Current portion

Accounts receivable (Notes: a, b, c, d, e & f)	3,033,453	5,000,679
Less: Provision for doubtful debts	(1,334,468)	(1,276,221)
	1,698,985	3,724,458
	<u>1,698,985</u>	<u>3,724,458</u>

Notes:a) Ageing of Accounts receivable:

Outstanding for more than twelve months	14,847,491	15,913,657
Outstanding for more than six months but less than twelve months	169,706	728,182
Outstanding for less than six months	2,565,727	4,272,497
	<u>17,582,924</u>	<u>20,914,336</u>

b) Due from top five accounts receivable at the year-end

	<u>14,182,441</u>	<u>14,478,647</u>
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c) Number of accounts receivable at the year-end

	<u>45</u>	<u>63</u>
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d) Accounts receivable are geographically distributed as below:

i) In AGCC countries	46%	56%
ii) In Africa	52%	43%
iii) In other countries	2%	1%
	<u>100%</u>	<u>100%</u>

e) All receivables have been provisioned against due to uncertainty in collections.

7. ACCOUNTS RECEIVABLES RELATED PARTIES

M/s. Ramco Systems Corporation, United States of America	803,682	31,819
M/s. Ramco System Inc, Philippines	35,027	29,534
M/s. Ramco Systems Pte Ltd., Singapore	32,598	352,826
M/s. Ramco Systems Australia Pty Ltd, Australia	24,790	-
M/s. Ramco System Korea Company Limited, Korea	36,101	-
M/s. Ramco Middle East for Information Technology, Saudi Arabia	560,445	-
	<u>1,492,643</u>	<u>414,179</u>

Note:

Amounts due from related parties are unsecured, free of interest and payable on demand.



8. UNBILLED REVENUE**(i) Non-current portion**

Unbilled licenses revenue (Note: a)	6,419,703	7,385,656
Less: Provision for doubtful debts	(6,419,703)	(6,596,627)
	<u>-</u>	<u>789,029</u>
Unbilled service revenue (Note: a)	689,087	1,192,271
Less: Provision for doubtful debts	(689,087)	(1,192,271)
	<u>-</u>	<u>-</u>

(ii) Current portion

Unbilled licenses revenue (Note: a)	255,871	230,678
Less: Provision for doubtful debts	(244,607)	(114,032)
	<u>11,264</u>	<u>116,646</u>
Unbilled services revenue (Note: a)	253,757	506,424
Less: Provision for doubtful debts	(138,829)	(137,445)
	<u>114,928</u>	<u>368,979</u>
	<u><u>126,192</u></u>	<u><u>1,274,654</u></u>

Note:

- a) Unbilled revenue are amounts receivable against license, services and maintenance contracts. These amounts are supported by signed agreements and are considered good for recovery by management and provision for expected credit losses have been provided.

9. BANK AND CASH BALANCES

Cash on hand	(A)	-	92,292
<u>Balances with Banks</u>			
In current accounts			
Balance as per bank confirmation		445,529	323,266
Add: Cheque deposit not reflected in bank statement		172,780	115,891
Less: Customer deposit not recorded in the books		-	(3,162)
Balance as per books	(B)	<u>618,309</u>	<u>435,995</u>
TOTAL	(A+B)	<u><u>618,309</u></u>	<u><u>528,287</u></u>



	<u>31.03.2025</u>	<u>31.03.2024</u>
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10. LOAN TO A RELATED PARTY**M/s. Ramco Systems Pte Ltd., Singapore**

Balance as on 31.03.2024	3,214,011	8,236,484
Add: Net movement during the year	(3,214,011)	(5,022,473)
Balance as on 31.03.2025	<u>-</u>	<u>3,214,011</u>

Note :

As per the loan agreement dated 1st December 2021, the loan has been sanctioned to meet the day-to-day operation expenses of the related party M/s. Ramco Systems Pte Ltd., Singapore. The loan is unsecured and carries an interest rate of 7% per annum and the outstanding loan amount is repaid fully during the current year.

11. SHARE CAPITAL

The authorised share capital of the Company consists of 50 ordinary share of AED 1,000/= each, issued, subscribed and fully paid-up, as under:

M/s. Ramco Systems Limited, India	50 shares	50,000	50,000
		<u>50,000</u>	<u>50,000</u>

12. UNEARNED REVENUE**(i) Non-current portion**

Unearned services revenue	21,035	-
	<u>21,035</u>	<u>-</u>

(ii) Current portion

Unearned licenses revenue	722,420	602,450
Unearned services revenue	5,640,431	6,454,440
	<u>6,362,851</u>	<u>7,056,890</u>
	<u>6,383,886</u>	<u>7,056,890</u>

Note:

Unearned revenue represents advance payments received from customers against license, services, and maintenance contracts. These amounts are backed by duly signed agreements and are recorded as liabilities until the related services are delivered in accordance with the terms of the contracts.



13. PROVISION FOR GRATUITY AND LEAVE ENCASHMENT(i) Non-current portion

Employees' terminal benefits (Note : a)
Provision for leave encashment

31.03.2025	31.03.2024
992,733	770,764
385,728	321,361
<u>1,378,461</u>	<u>1,092,125</u>

(ii) Current portion

Employees' terminal benefits (Note : a)
Provision for leave encashment

31.03.2025	31.03.2024
105,770	112,425
33,209	30,120
<u>138,979</u>	<u>142,545</u>
<u>1,517,440</u>	<u>1,234,670</u>

Note:

(a) Provision for end of service benefits is made in accordance with the requirements of the applicable laws of the India. However, the amount of provision is greater than required by the applicable laws of U.A.E. This is an unfunded defined benefits plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination or completion of the term of employment. This cost is expensed annually to the profit and loss account.

Balance as on 31.03.2024	883,189	1,046,912
Additional provision during the year	231,200	270,318
Paid during the year	(15,886)	(434,041)
Balance as on 31.03.2025	<u>1,098,503</u>	<u>883,189</u>

14. ACCOUNTS PAYABLES RELATED PARTIES

M/s. Ramco Systems Limited, India	302,733	2,489,476
M/s. Ramco Systems Limited, U.A.E	24,266	29,093
M/s. RSL Software Company Limited, Sudan	-	7,093
M/s. Ramco Systems Pte Ltd., Singapore	152,074	139,871
M/s. Ramco Systems Australia Pty Ltd., Australia	103,215	57,582
M/s. Ramco Systems Corporation, United States of America	824,445	512,365
M/s. Ramco Systems Sdn. Bhd., Malaysia	-	30,607
M/s. Ramco Systems Limited, United Kingdom	-	3,813
M/s. Ramco Systems Australia Pty Ltd, New Zealand	-	3,986
	<u>1,406,733</u>	<u>3,273,886</u>

Note:

Amounts due to related parties are unsecured, free of interest and payable on demand.



	<u>31.03.2025</u>	<u>31.03.2024</u>
15. LEASE LIABILITIES		
Current portion		
Premises on lease	171,020	-
	<u>171,020</u>	<u>-</u>

Note:

The lease liability is calculated using 9.20% as the interest rate, for discounting purposes.

16. PROVISION FOR CUSTOMER CONTRACT OBLIGATIONS

Provision for customer contract obligations	265,948	-
	<u>265,948</u>	<u>-</u>

Note:

As of 31st March 2025, the Company has recognized a provision of AED 195,778 for onerous contracts where expected project margins are negative, and AED 70,170 for other contracts with expected cost overruns in accordance with Group policy and Ind AS 37.

	<u>Current Year</u>	<u>Previous Year</u>
17. OTHER INCOME		
Reversal of provision for bad and doubtful debts	151,972	-
Reversal of sales commission to agent	770,701	-
	<u>922,673</u>	<u>-</u>

18. OTHER EXPENSES

Advertisement & sales promotion	1,292,006	723,986
Audit, accountancy & legal charges	97,437	1,046,055
Bad and doubtful debts	-	15,812,547
Bank charges	90,258	197,121
Forex translation loss/(gain)	167,964	350,198
Insurance premium	62,168	182,603
Outsourcing costs	825,314	1,734,800
Postage & telephone	155,303	170,278
Utilities	36,744	84,517
Printing and stationery	1,820	6,184
Rates and taxes	218,044	537,835
Rent & hosting charges	1,280,083	1,620,539
Repairs and maintenance	125,005	149,198
Sales commission	228,068	70,528
Software subscription & AMC	75	35,681
Travelling and conveyance	907,075	1,778,910
Provision for contract obligations	265,948	-
	<u>5,753,312</u>	<u>24,500,980</u>



19. TAX EXPENSE*a) Components of income tax*

Income tax expenses recorded in profit or loss comprises the following :

Current tax

Current tax on profits for the year

Total current tax expense

31.03.202531.03.2024

-

-

-

-

Deferred income tax

Deferred tax assets recognised

-

-

-

-

b) Reconciliation between the tax expense and profit or loss multiplied by the applicable tax rate.

The income tax rate applicable to the Company's income is 9% (2023 : Nil). A reconciliation between the expected and the actual tax charges is provided below :

Profit/(loss) before tax

(1,734,311)

-

Less : Income which is exempt from taxation upto AED 375,000

-

Add : Non-deductible expenses

864,047

-

Taxable loss

(870,264)

-

Income tax benefit

(78,324)

-

c) Deferred tax assets

The balance comprises temporary differences attributable to :

Tax savings on loss

-

-

Total deferred tax assets

-

-

Note:

- i) As required under UAE Corporate Tax Law and Ministerial Decision No. 114 of 2023, the financial statements should be prepared in accordance with International Financial Reporting Standards (IFRS). However, the management has prepared the financial statements as per the Indian Accounting Standards (Ind AS), which are substantially aligned with IFRS. Management believes that there are no material differences or carve-outs affecting the financial results, presentation, or disclosures.
- ii) The Company has reported a taxable loss for the year in accordance with UAE Corporate Tax Law and management believes that there is no corporate tax liability incurred or payable during the year .



31.03.2025

31.03.2024

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprises of the following balance sheet amounts:

Bank and cash balances	618,309	528,287
	<u>618,309</u>	<u>528,287</u>

21. TRANSACTIONS WITH RELATED PARTIES

The Company has in the ordinary course of business, entered into trading and financial transactions with "related parties" as contained in the Indian Accounting Standard No. 24. The terms of such transactions were approved by the management. The amounts due to related parties are unsecured, interest free and payable on demand (excluding loans which carries an interest).

a) Transactions with Related Parties :

Royalty to related parties	2,780,609	2,656,107
Service fees to related parties	6,422,542	6,399,014
Employee benefits expense	(1,030,223)	517,168
Bank charges	12,340	121,539
Rent & hosting charges	1,355,346	1,369,730
Travelling and conveyance	33,999	583,708
Interest on loan to related parties	(33,855)	(361,133)
Outsourcing costs	11,903	-
Professional fees	(249,503)	-
Sales commission	(24,790)	-

b) Outstanding Balances with Related Parties**Advance to Related Parties at the year-end :**

M/s. Ramco Systems Limited, India	133,084	-
	<u>133,084</u>	<u>-</u>



	<u>31.03.2025</u>	<u>31.03.2024</u>
21. <u>TRANSACTIONS WITH RELATED PARTIES(continued)</u>		
<u>Due to Related Parties at the year-end :</u>		
M/s. Ramco Systems Limited, India	302,733	2,489,476
M/s. Ramco Systems Limited, U.A.E	24,266	29,093
M/s. RSL Software Company Limited, Sudan	-	7,093
M/s. Ramco Systems Pte Ltd., Singapore	152,074	139,871
M/s. Ramco Systems Australia Pty Ltd., Australia	103,215	57,582
M/s. Ramco Systems Corporation, United States of America	824,445	512,365
M/s. Ramco Systems Sdn. Bhd., Malaysia	-	30,607
M/s. Ramco Systems Limited, United Kingdom	-	3,813
M/s. Ramco Systems Australia Pty Ltd, New Zealand	-	3,986
	<u>1,406,733</u>	<u>3,266,087</u>

Due from Related Parties at the year-end :

M/s. Ramco Systems Corporation, United States of America	803,682	31,819
M/s. Ramco Systems Inc, Philippines	35,027	29,534
M/s. Ramco Systems Pte Ltd., Singapore	32,598	352,826
Loan to a related party -M/s. Ramco Systems Pte Ltd., Singapore	-	3,214,011
M/s. Ramco Systems Australia Pty Ltd, Australia	24,790	-
M/s. Ramco System Korea Company Limited, Korea	36,101	-
M/s. Ramco Middle East for Information Technology, Saudi Arabia	560,445	-
	<u>1,492,643</u>	<u>3,628,190</u>

22. FINANCIAL INSTRUMENTSDerivative & exchange rate risks

The Company does not use derivative financial instruments for speculative purposes.

The Company does not have any foreign exchange forward contracts or options to manage its exposure to fluctuations in foreign currency exchange rates. The following are the foreign currency assets and liabilities at 31st March 2025:

Financial Assets in Foreign Currency:Held in USD

Accounts receivables	17,363,895	19,874,684
In current account with a bank	27,206	103,246
Amount due from related parties	803,682	31,819
	<u>17,391,101</u>	<u>19,977,930</u>

Held in EUR

In current account with a bank	<u>22,921</u>	<u>23,016</u>
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	<u>31.03.2025</u>	<u>31.03.2024</u>
22. <u>FINANCIAL INSTRUMENTS(continued)</u>		
<i>Held in SAR</i>		
Amount due from related parties	560,445	-
Deposit with suppliers	87,138	87,176
	<u>647,583</u>	<u>87,176</u>
<i>Held in KRW</i>		
Amount due from related parties	<u>36,101</u>	<u>-</u>
<i>Held in AUD</i>		
Amount due from related parties	<u>24,790</u>	<u>-</u>
<i>Held in SGD</i>		
Amount due from related parties	<u>32,598</u>	<u>352,826</u>
<u>Financial Liability in Foreign Currency:</u>		
<i>Held in USD</i>		
Accounts payable	554,236	673,761
Amount due to related parties	824,445	512,365
	<u>1,378,681</u>	<u>1,186,126</u>
<i>Held in SGD</i>		
Amount due to related parties	<u>152,074</u>	<u>139,871</u>
<i>Held in AUD</i>		
Amount due to related parties	<u>103,215</u>	<u>57,582</u>
<i>Held in QAR</i>		
Accounts payable	<u>7,189</u>	<u>9,329</u>
<i>Held in MYR</i>		
Amount due to related parties	<u>-</u>	<u>30,607</u>
<i>Held in GBP</i>		
Amount due to related parties	<u>-</u>	<u>3,813</u>
<i>Held in NZD</i>		
Amount due to related parties	<u>-</u>	<u>3,986</u>

Credit risks

Financial assets which potentially subject the Company to concentration of credit risk consist principally of bank and accounts receivables. Bank balances are with regulated financial institutions. Credit risk of accounts receivables is stated in Note 6 (a), (b), (c), (d), (e) & (f).



22. FINANCIAL INSTRUMENTS(continued)**Accounts receivables**

An impairment analysis is performed at each reporting date using a specific identification of defaulting customers and provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivables are written-off from books when they become bad, irrecoverable and are not subject to enforcement activity.

Interest rate risks

Interest was charged on loan to related parties at a rate of 7% per annum. Interest is paid on short-term borrowings from banks and others as per prevailing market conditions. Interest rate risk on other assets/liabilities is immaterial.

Fair value

At the balance sheet date, the carrying amount of bank and cash balances, accounts receivables, accounts payable and amount due from/to related parties approximated their fair values.

23. CAPITAL COMMITMENTS

The Company does not have any capital commitments as at 31st March 2025.

24. COMPARATIVE FIGURES

Comparative figures have been re-grouped/re-classified wherever necessary to conform the current year's classification.

25. SUBSEQUENT EVENT

As per the resolution dated 12th February 2025, M/s. Ramco Systems FZ-LLC has appointed Mr. Thantalur Venkata Perumal Alagaraja Raja as a Director, in compliance with Article 14 of the Company's Articles of Association. The amendment was recorded in the Register of Directors on 28th April 2025.

For RAMCO SYSTEMS FZ-LLC

V. Hari

DIRECTOR

28/04/25

R. N. K.

DIRECTOR

