

**FINANCIAL STATEMENTS OF
M/s.RAMCO SYSTEMS FZ-LLC
DUBAI INTERNET CITY, DUBAI - (U.A.E.)
FOR THE YEAR ENDED
31 MARCH 2019**

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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.)

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

A member firm of MGI Worldwide

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

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 2019.

Financial Results

The net profit for the year after all expenses is	AED	1,351,870
Retained profits brought forward from previous year	AED	23,394,333
And the net surplus carried forward is	AED	<u>24,746,203</u>

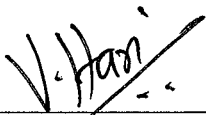
Dividend

The company has a net surplus of AED 24,746,203. The Directors do not recommend distribution of any dividend during the year but to retain the profits in the Company to consolidate its financial position.


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 2020.

On behalf of the Board of Directors



Mr. Venkataramanan Harikrishnan
Director



Mr. Ramamurthy Ravi Kula Chandran
Director

Date: 25 April 2019

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 2019**, and the profit and loss account, statement of changes in equity and 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 17.

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 2019 and of the Company's financial performance and cash flows for the year then ended and have been prepared in accordance with International Financial Reporting Standards.

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 United Arab Emirates and International Financial Reporting Standards, 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.

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.

Contd...[2]



Independent Auditor's Report (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2019

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.
- * 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.

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Independent Auditor's Report (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2019

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 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 25 APR 2019
Registration No. 805

RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
BALANCE SHEET AS AT 31 MARCH 2019
IN UAE DIRHAMS


	<u>Notes</u>	<u>31.03.2019</u>	<u>31.03.2018</u>
<u>ASSETS</u>			
Non-current assets			
Property and equipment	3	99,910	47,573
Accounts receivable and prepayments	4(i)	12,779,938	18,054,696
Total non-current assets		<u>12,879,848</u>	<u>18,102,269</u>
Current assets			
Accounts receivable and prepayments	4(ii)	46,195,691	40,875,244
Bank balances	5	170,952	203,165
Total current assets		<u>46,366,643</u>	<u>41,078,409</u>
Total assets		<u>59,246,491</u>	<u>59,180,678</u>
<u>SHAREHOLDERS' FUNDS AND LIABILITIES</u>			
<u>Shareholders' funds</u>			
Share capital	6	50,000	50,000
Retained profits		24,746,203	23,394,333
Total Shareholders' funds		<u>24,796,203</u>	<u>23,444,333</u>
<u>Liabilities</u>			
Non-current liabilities			
Employees' terminal benefits	7	204,568	151,288
Loan from a related party	8	10,840,000	12,022,365
Total non-current liabilities		<u>11,044,568</u>	<u>12,173,653</u>
Current liabilities			
Due to bank	9	927,740	788,548
Accounts payable and accruals	10	11,979,335	11,400,041
Amounts due to related parties	11	10,498,645	11,374,103
Total current liabilities		<u>23,405,720</u>	<u>23,562,692</u>
Total liabilities		<u>34,450,288</u>	<u>35,736,345</u>
Total Shareholders' funds and liabilities		<u>59,246,491</u>	<u>59,180,678</u>

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

For RAMCO SYSTEMS FZ-LLC



DIRECTOR



DIRECTOR

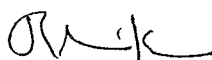


RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019
IN UAE DIRHAMS

	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>Income</u>			
Revenue	12	29,096,218	38,712,461
Less: Cost of sales	13	18,854,644	24,503,727
Gross profit		<u>10,241,574</u>	<u>14,208,734</u>
<u>Operating Expenses</u>			
Sales & marketing expenses		88,622	35,751
Interest & bank charges		1,118,441	1,417,089
Exchange (gain)/loss		(23,948)	155,929
Administration & selling expenses	14	2,275,744	2,138,338
Depreciation		34,114	27,241
Bad debts written off		6,062,622	117,058
Provision for bad and doubtful debts		(665,891)	6,363,058
		<u>8,889,704</u>	<u>10,254,464</u>
NET PROFIT FOR THE YEAR		<u>1,351,870</u>	<u>3,954,270</u>

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

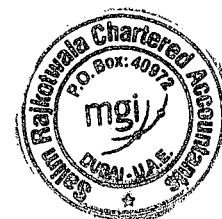
For RAMCO SYSTEMS FZ-LLC



DIRECTOR



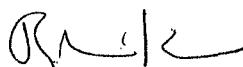
DIRECTOR



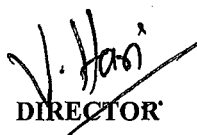
RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019
IN UAE DIRHAMS

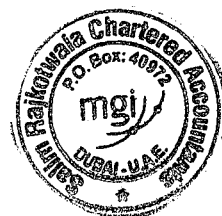
	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net profit for the year		1,351,870	3,954,270
<u>Adjustments for:</u>			
Depreciation		34,114	27,241
Operating profit before working capital changes		<u>1,385,984</u>	<u>3,981,511</u>
(Increase) in accounts receivable and prepayments		(45,689)	(2,121,092)
Increase in amounts due from related parties		-	17,218
Increase in accounts payable and accruals		579,294	411,711
(Decrease) in amounts due to related parties		(875,458)	(3,951,962)
Increase/(Decrease) in employees' terminal benefits		53,280	(56,867)
Net cash received from/(used in) operating activities	(A)	<u>1,097,411</u>	<u>(1,719,481)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payment for purchase of property & equipment		(86,451)	-
Net cash (used in) investing activities	(B)	<u>(86,451)</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Loan (repaid)/received from a related party (net)		(1,182,365)	977,071
Net cash received from financing activities	(C)	<u>(1,182,365)</u>	<u>977,071</u>
Net (decrease) in cash and cash equivalents	(A+B+C)	(171,405)	(742,410)
Cash and cash equivalents - beginning of the year		(585,383)	157,027
Cash and cash equivalents - end of the year	15	<u>(756,788)</u>	<u>(585,383)</u>

For RAMCO SYSTEMS FZ-LLC



DIRECTOR

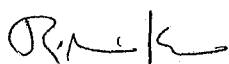

DIRECTOR



RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019
IN UAE DIRHAMS

	<u>Share Capital</u>	<u>Retained Profits</u>	<u>Total</u>
Balance as on 01.04.2017	50,000	19,440,063	19,490,063
Profit for the year	-	3,954,270	3,954,270
Balance as on 31.03.2018	50,000	23,394,333	23,444,333
Profit for the year	-	1,351,870	1,351,870
Balance as on 31.03.2019	50,000	24,746,203	24,796,203

For RAMCO SYSTEMS FZ-LLC



DIRECTOR



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 2019
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:

		<u>Share in Capital/ Profit & Losses</u>
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. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations issued by the Standards Interpretations Committee of the IASB.

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

2.1 Accounting Convention

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

2.2 Accrual Concept

Income and expenditure have been accounted on accrual basis.

2.3 Property, Equipments 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%



2.4 Debtors

Debtors are recognized for amounts to be received in future for goods or services delivered. Bad debts, if any, are written off as they arise.

2.5 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.

2.6 Staff 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.

2.7 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.

2.8 Revenue Recognition

A. Software and Related Services

i) License Fees

License fee revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement/delivery of the software.

ii) Software development / Implementation Fees

Software development/Implementation contracts are either fixed price based or time and material. In case of fixed price contracts, revenue is recognized in accordance with percentage of completion method of accounting. In case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate.

iii) Annual Maintenance Contract

Revenue from maintenance services is recognized on a pro-rata basis over the period of the contract.

iv) Subscription Revenues

Subscription revenues are recognized ratably over the contract terms.



B. Value Added Resale Hardware & Software

Revenue from sales is recognized upon dispatch of goods to customers.

C. Other Income

Other incomes are recognized on accrual basis.

2.9 Cost of Sale

Cost of sales includes purchases, royalty and other direct expenses.

2.10 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.

2.11 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-collectibility of receivables.

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.

2.12 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.



31.03.2019 31.03.2018

3. PROPERTY AND EQUIPMENT
FURNITURE, FIXTURES & OFFICE EQUIPMENT

Cost

As at 31.03.2018	105,268	105,268
Additions during the year	86,451	-
As at 31.03.2019	191,719	105,268

Less: Depreciation

Upto 31.03.2018	57,695	30,454
For the year	34,114	27,241
Upto 31.03.2019	91,809	57,695

Net Book Value

As at 31.03.2019	99,910	47,573
As at 31.03.2018	47,573	74,814

4. ACCOUNTS RECEIVABLE AND PREPAYMENTS

(i) Non-current portion

Trade debtors (Notes: a, b, c, d & e)	2,904,459	2,989,315
Add: Accrued revenue (Note: f)	9,875,479	15,065,381
	12,779,938	18,054,696

(ii) Current portion

Trade debtors (Notes: a, b, c, d & e)	33,924,535	39,603,653
Add: Accrued revenue (Note: f)	18,191,191	7,906,399
Less: Provision for doubtful debts	(6,297,167)	(6,963,058)
	45,818,559	40,546,994
Staff advances	100,118	122,943
Other advances	112,191	10,500
Prepayments	159,823	172,665
Other receivables	5,000	22,142
	46,195,691	40,875,244



31.03.2019 31.03.2018

4. ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

Notes:

a) Ageing of Trade Debtors:

Outstanding for more than twelve months	18,366,264	24,131,181
Outstanding for more than six months but less than twelve months	363,114	4,092,762
Outstanding for less than six months	18,099,616	14,369,025
	<u>36,828,994</u>	<u>42,592,968</u>

b) Due from top five trade debtors at the year-end 18,645,815 20,740,785

c) Number of trade debtors at the year-end 101 103

d) Trade debtors are geographically distributed as below:

i) In AGCC Countries	59%	49%
ii) In Africa	36%	41%
iii) In India	0%	4%
iv) In other countries	5%	6%
	<u>100%</u>	<u>100%</u>

e) Trade debtors are unconfirmed but considered good for recovery by the management.

f) Accrued revenue are amounts receivable against license, services and maintenance contracts. These amounts are supported by agreement and considered good for recovery by management.

5. BANK BALANCES

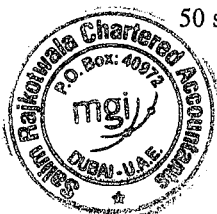
Balances with Banks

In current accounts	170,952	203,165
	<u>170,952</u>	<u>203,165</u>

6. SHARE CAPITAL

The authorised share capital of the Company consists of 50 ordinary share of AED 1000/= each, issued, subscribed and fully paid-up, as under:

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



31.03.2019 31.03.2018

7. EMPLOYEES' TERMINAL BENEFITS

Part provision for end of service benefits is made in accordance with the requirements of the applicable laws of the 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 01.04.2018	151,288	208,155
Additional provision during the year	81,423	43,483
Paid during the year	(28,143)	(100,350)
Balance as on 31.03.2019	<u>204,568</u>	<u>151,288</u>

8. LOAN FROM A RELATED PARTY

M/s. Ramco Systems Limited, India	10,840,000	12,022,365
	<u>10,840,000</u>	<u>12,022,365</u>

Note:

As per the loan agreement dated 16 February 2016, the loan has been sanctioned to meet the day-to-day operation expenses of the Company. The loan carries an interest rate of 9.85 % per annum (Previous year: 12.5% per annum) and the outstanding amount is repayable on demand.

9. DUE TO BANK

Bank overdraft - Mashreq Bank	927,740	788,548
	<u>927,740</u>	<u>788,548</u>

Note:

Bank overdraft are secured by Letter of Credit issued by Axis Bank Limited (holding Company bank account - Ramco Systems Limited, India) in favour of the Bank to secure the facilities extended for USD 889K and facilities are extended upto 95% of the security value.

10. ACCOUNTS PAYABLE AND ACCRUALS

Trade payables	241,656	159,820
Customer advances	640,790	338,249
Deferred revenue	7,060,784	5,980,277
Accrued expenses	3,917,230	4,785,810
Value added tax payable	118,875	135,885
	<u>11,979,335</u>	<u>11,400,041</u>



31.03.2019 31.03.2018

11. AMOUNTS DUE TO RELATED PARTIES

M/s. Ramco Systems Limited, India	10,005,543	10,993,996
M/s. Ramco Systems Limited, Dubai Branch	108,851	156,034
M/s. RSL Software Company Limited, Sudan	224,073	224,073
M/s. Ramco Systems Private Limited, Singapore	160,178	-
	<u>10,498,645</u>	<u>11,374,103</u>

Note:

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

Current Previous
Year Year

12. REVENUE

Sales - licenses	13,335,281	21,630,002
Service, subscription & maintenance fees (Note)	15,368,889	16,472,661
Other income	392,048	609,798
	<u>29,096,218</u>	<u>38,712,461</u>

Note:

Includes accrued revenue receivable against services and maintenance contracts.

13. COST OF SALES

Salaries & benefits	3,038,504	2,232,047
Royalties expense	7,889,620	11,105,376
Transfer pricing	3,942,014	5,378,308
Professional/consulting fees & other direct expenses	3,984,506	5,787,996
	<u>18,854,644</u>	<u>24,503,727</u>

14. ADMINISTRATION & SELLING EXPENSES

Rent expense	416,343	404,307
Travelling & visa expenses	780,795	662,452
Legal & professional fees	27,667	25,000
Insurance charges	134,850	107,874
Communication expense	249,585	260,659
Conveyance expense	232,455	187,990
Repairs and maintenance	44,278	29,874
Rates and tax expenses	296,387	372,564
Miscellaneous expenses	93,384	87,618
	<u>2,275,744</u>	<u>2,138,338</u>



31.03.2019 31.03.2018

15. CASH AND CASH EQUIVALENTS

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

Bank balances	170,952	203,165
Bank overdraft	(927,740)	(788,548)
	(756,788)	(585,383)

16. 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 International 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 :

Cost of sales and other expenses charged by:

M/s. Ramco Systems Ltd. - (Holding Company) and

M/s. Ramco Systems Ltd., Dubai Branch

	16,074,359	21,244,625
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M/s. Ramco Systems Private Limited, Singapore

	160,178	-
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b) Outstanding Balances with Related Parties

Due to Related Parties at the year-end :

M/s. Ramco Systems Ltd. - (Holding Company)

	20,845,543	23,016,361
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M/s. Ramco Systems Limited, Dubai Branch

	108,851	156,034
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M/s. RSL Software Company Limited, Sudan

	224,073	224,073
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M/s. Ramco Systems Private Limited, Singapore

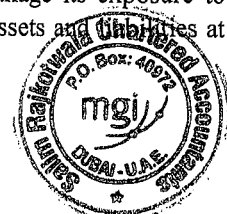
	160,178	-
	21,338,645	23,396,468

17. FINANCIAL INSTRUMENTS

Derivative & 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 2019:



31.03.2019 31.03.2018

17. FINANCIAL INSTRUMENTS (continued)

Financial Assets in Foreign Currency:

Held in USD

Trade receivables	34,706,379	42,132,043
In current account with a bank	33,277	38,919
	34,739,656	42,170,962

Financial Liability in Foreign Currency:

Held in USD

Trade payable	241,656	159,820
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Note:

The Company's foreign currency exposure is only in USD. Hence the exchange risk is limited.

Credit risks

Financial assets which potentially subject the Company to concentration of credit risk consist principally of bank and trade debtors. Bank balances are with regulated financial institutions. Credit risk of trade debtors is stated in Note 4 (a), (b), (c), (d), (e) & (f).

Fair Value

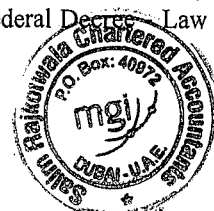
At the balance sheet date, the carrying amount of bank and cash balances, debtors, and creditors approximated their fair values.

18. CONTINGENT LIABILITIES

Bank guarantee - performance bond	80,264	80,264
	80,264	80,264

19. TAXATION

According to Article 15 of Law No. 1 of 2000 (as amended) of the Emirate of Dubai - The Dubai Technology, Electronic Commerce and Media Free Zone Law, Free Zone Establishments shall be exempted from all direct taxes including income tax with regard to their operation within the Free Zone. With effect from 1st January 2018, Value Added Tax is applicable for the Free Zone Establishments under the UAE Federal Decree Law No.(8) of 2017 on Value Added Tax.



20. COMPARATIVE FIGURES

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

For RAMCO SYSTEMS FZ-LLC


DIRECTOR

6/6/98


DIRECTOR

