

**FINANCIAL STATEMENTS OF
M/s.RAMCO SYSTEMS FZ-LLC
DUBAI INTERNET CITY, DUBAI - (U.A.E.)
FOR THE YEAR ENDED
31 MARCH 2018**

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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 2018.

Financial Results

The net profit for the year after all expenses is	AED	3,954,270
Retained profits brought forward from previous year	AED	19,440,063
And the net surplus carried forward is	AED	<u>23,394,333</u>

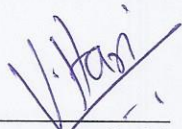
Dividend

The company has a net surplus of AED 23,394,333. 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.

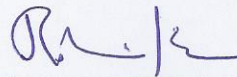
Auditors

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 2019.

On behalf of the Board of Directors



Mr. Venkataramanan Harikrishnan
Director



Mr. Ramamurthy Ravi Kula Chandran
Director

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 2018**, 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 2018 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.

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Independent Auditor's Report (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2018

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.

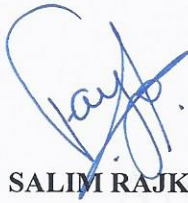
We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor's Report (Contd...)
M/s. Ramco Systems FZ-LLC, Dubai
Year ended 31 March 2018

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 12 APR 2018

Registration No. 805

RAMCO SYSTEMS FZ-LLC
P. O. BOX 500189, DUBAI INTERNET CITY
BALANCE SHEET AS AT 31 MARCH 2018
IN UAE DIRHAMS

	<u>Notes</u>	<u>31.03.2018</u>	<u>31.03.2017</u>
<u>ASSETS</u>			
Non-current assets			
Property and equipment	3	47,573	74,814
Accounts receivable and prepayments	4(i)	18,054,696	7,900,758
Total non-current assets		<u>18,102,269</u>	<u>7,975,572</u>
Current assets			
Accounts receivable and prepayments	4(ii)	40,875,244	48,908,090
Amount due from a related party	5	-	17,218
Bank balances	6	203,165	157,027
Total current assets		<u>41,078,409</u>	<u>49,082,335</u>
Total assets		<u>59,180,678</u>	<u>57,057,907</u>
<u>SHAREHOLDERS' FUNDS AND LIABILITIES</u>			
<u>Shareholders' funds</u>			
Share capital	7	50,000	50,000
Retained earnings		23,394,333	19,440,063
Total Shareholders' funds		<u>23,444,333</u>	<u>19,490,063</u>
<u>Liabilities</u>			
Non-current liabilities			
Employees' terminal benefits	8	151,288	208,155
Loan from a related party	9	12,022,365	11,045,294
Total non-current liabilities		<u>12,173,653</u>	<u>11,253,449</u>
Current liabilities			
Due to bank	10	788,548	-
Accounts payable and accruals	11	11,400,041	10,988,330
Amounts due to related parties	12	11,374,103	15,326,065
Total current liabilities		<u>23,562,692</u>	<u>26,314,395</u>
Total liabilities		<u>35,736,345</u>	<u>37,567,844</u>
Total Shareholders' funds and liabilities		<u>59,180,678</u>	<u>57,057,907</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
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018
IN UAE DIRHAMS

	<u>Notes</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>Income</u>			
Revenue	13	38,712,461	35,645,280
Less: Cost of sales	14	24,503,727	27,894,775
Gross profit		<u>14,208,734</u>	<u>7,750,505</u>
<u>Operating Expenses</u>			
Sales & marketing expenses		35,751	52,568
Interest & bank charges		1,417,089	995,978
Exchange loss		155,929	377,022
Administration & selling expenses	15	2,138,338	2,241,384
Depreciation		27,241	17,867
Bad debts written off		117,058	-
Provision for bad and doubtful debts		6,363,058	600,000
		<u>10,254,464</u>	<u>4,284,819</u>
NET PROFIT FOR THE YEAR		<u>3,954,270</u>	<u>3,465,686</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 2018
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		3,954,270	3,465,686
<u>Adjustments for:</u>			
Depreciation		27,241	17,867
Operating profit before working capital changes		<u>3,981,511</u>	<u>3,483,553</u>
(Increase) in accounts receivable and prepayments		(2,121,092)	(14,748,267)
Increase/(Decrease) in amounts due from related parties		17,218	(17,218)
Increase in accounts payable and accruals		411,711	4,684,436
(Decrease) in amounts due to related parties		(3,951,962)	(1,315,826)
(Decrease)/Increase in employees' terminal benefits		(56,867)	48,840
Net cash (used in) operating activities	(A)	<u>(1,719,481)</u>	<u>(7,864,482)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payment for purchase of property & equipment		-	(68,016)
Net cash (used in) investing activities	(B)	<u>-</u>	<u>(68,016)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Loan from a related party		977,071	7,980,616
Net cash received from financing activities	(C)	<u>977,071</u>	<u>7,980,616</u>
Net (decrease)/increase in cash and cash equivalents	(A+B+C)	<u>(742,410)</u>	<u>48,118</u>
Cash and cash equivalents - beginning of the year		157,027	108,909
Cash and cash equivalents - end of the year	16	<u><u>(585,383)</u></u>	<u><u>157,027</u></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 2018
IN UAE DIRHAMS

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as on 01.04.2016	50,000	15,974,377	16,024,377
Profit for the year	-	3,465,686	3,465,686
Balance as on 31.03.2017	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

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 2018
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	-	<u>100%</u>
		<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%

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.

	<u>31.03.2018</u>	<u>31.03.2017</u>
3. <u>PROPERTY AND EQUIPMENT</u>		
<u>FURNITURE, FIXTURES & OFFICE EQUIPMENT</u>		
<u>Cost</u>		
As at 31.03.2017	105,268	37,252
Additions during the year	-	68,016
As at 31.03.2018	<u>105,268</u>	<u>105,268</u>
<u>Less: Depreciation</u>		
Upto 31.03.2017	30,454	12,587
For the year	27,241	17,867
Upto 31.03.2018	<u>57,695</u>	<u>30,454</u>
<u>Net Book Value</u>		
As at 31.03.2018	<u>47,573</u>	<u>74,814</u>
As at 31.03.2017	<u>74,814</u>	<u>24,665</u>
4. <u>ACCOUNTS RECEIVABLE AND PREPAYMENTS</u>		
(i) <u>Non-current portion</u>		
Trade debtors (Notes: a, b, c & d)	2,989,315	6,734,400
Add: Accrued revenue (Note: e)	15,065,381	1,166,358
	<u>18,054,696</u>	<u>7,900,758</u>
(ii) <u>Current portion</u>		
Trade debtors (Notes: a, b, c & d)	39,603,653	37,214,292
Add: Accrued revenue (Note: e)	7,906,399	12,101,255
Less: Provision for doubtful debts	<u>(6,963,058)</u>	<u>(600,000)</u>
	40,546,994	48,715,547
Staff advances	122,943	58,816
Other advances	10,500	1,000
Prepayments	172,665	132,727
Other receivables	22,142	-
	<u>40,875,244</u>	<u>48,908,090</u>

31.03.2018 31.03.2017

4. ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

Notes:

a) Ageing of Trade Debtors:

Outstanding for more than twelve months	24,131,181	19,414,418
Outstanding for more than six months but less than twelve months	4,092,762	8,558,839
Outstanding for less than six months	14,369,025	15,975,435
	42,592,968	43,948,692

b) Due from top five trade debtors at the year-end	20,740,785	21,844,482
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c) Number of trade debtors at the year-end	103	90
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d) Trade debtors are geographically distributed as below:

i) In AGCC Countries	49%	44%
ii) In Africa	41%	48%
iii) In India	4%	4%
iv) In other countries	6%	4%
	100%	100%

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

5. AMOUNT DUE FROM A RELATED PARTY

M/s. Ramco Systems Limited, Dubai Branch	-	17,218
	-	17,218

Note:

Amount due from a related party is unsecured, free of interest and receivable on demand.

6. BANK BALANCES

Balances with Banks

In current accounts	203,165	157,027
	203,165	157,027

7. 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	50,000
		50,000	50,000

31.03.2018 31.03.2017

8. 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 01.04.2017	208,155	159,315
Additional provision during the year	43,483	76,639
Paid during the year	(100,350)	(27,799)
Balance as on 31.03.2018	<u>151,288</u>	<u>208,155</u>

9. LOAN FROM A RELATED PARTY

M/s. Ramco Systems Limited, India	12,022,365	11,045,294
	<u>12,022,365</u>	<u>11,045,294</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 12.5% per annum and the outstanding amount is repayable on demand.

10. DUE TO BANK

Bank overdraft - Mashreq Bank	788,548	-
	<u>788,548</u>	<u>-</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.

11. ACCOUNTS PAYABLE AND ACCRUALS

Trade payables	159,820	676,656
Customer advances	338,249	1,741,217
Deferred revenue	5,980,277	3,855,272
Accrued expenses	4,785,810	4,715,185
VAT payable	135,885	-
	<u>11,400,041</u>	<u>10,988,330</u>

	<u>31.03.2018</u>	<u>31.03.2017</u>
12. AMOUNTS DUE TO RELATED PARTIES		
M/s. Ramco Systems Limited, India	10,993,996	15,101,992
M/s. Ramco Systems Limited, Dubai Branch	156,034	-
M/s. RSL Software Company Limited, Sudan	224,073	224,073
	<u>11,374,103</u>	<u>15,326,065</u>

Note:

Amounts due to related parties are unsecured and payable on demand.

	<u>Current Year</u>	<u>Previous Year</u>
13. REVENUE		
Sales - licenses	21,630,002	22,770,608
Service, subscription & maintenance fees (Note)	16,472,661	12,718,339
Other income	609,798	156,333
	<u>38,712,461</u>	<u>35,645,280</u>

Note:

Includes accrued revenue receivable against services and maintenance contracts.

14. COST OF SALES		
Salaries & benefits	2,232,047	2,761,002
Royalty	11,105,376	10,809,918
Transfer pricing	5,378,308	6,398,222
Professional/consulting fees & other direct expenses	5,787,996	7,925,633
	<u>24,503,727</u>	<u>27,894,775</u>

15. ADMINISTRATION & SELLING EXPENSES

Rent	404,307	338,197
Travelling & visa expenses	662,452	1,092,351
Legal & professional fees	25,000	30,000
Insurance charges	107,874	110,385
Communication expense	260,659	263,397
Conveyance expense	187,990	233,688
Repairs and maintenance	29,874	35,324
Rates and tax expenses	372,564	84,557
Miscellaneous expenses	87,618	53,485
	<u>2,138,338</u>	<u>2,241,384</u>

31.03.2018 31.03.2017

16. CASH AND CASH EQUIVALENTS

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

Bank balances	203,165	157,027
Bank overdraft	(788,548)	-
	<u>(585,383)</u>	<u>157,027</u>

17. 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

	<u>21,244,625</u>	<u>22,538,622</u>
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b) Outstanding Balances with Related Parties

Due from Related Parties at the year-end :

M/s. Ramco Systems Limited, Dubai Branch

	<u>-</u>	<u>17,218</u>
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Due to Related Parties at the year-end :

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

	23,016,361	26,147,286
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M/s. Ramco Systems Limited, Dubai Branch

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

	224,073	224,073
	<u>23,396,468</u>	<u>26,371,359</u>

18. 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 2018:

31.03.2018 31.03.2017

18. FINANCIAL INSTRUMENTS (continued)

Financial Assets in Foreign Currency:

Held in USD

Trade receivables	42,132,043	39,946,408
In current account with a bank	38,919	20,654
	42,170,962	39,967,062

Financial Liability in Foreign Currency:

Held in USD

Trade payable	159,820	676,656
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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).

Fair Value

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

19. CONTINGENT LIABILITIES

Bank guarantee - performance bond	80,264	214,695
Bank counter guarantee- bid bond	-	75,651
	80,264	290,346

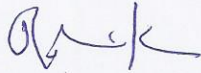
20. TAXATION

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 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.

21. COMPARATIVE FIGURES

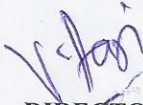
Comparative figures have been re-grouped/re-classified wherever necessary to conform the current year's classification.

For RAMCO SYSTEMS FZ-LLC



DIRECTOR

hk/ngg



DIRECTOR