

Company No.: 342313-W

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2014**

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to carry on the business of a computer software house. The Company obtained Multimedia Super Corridor ("MSC") status in 1997. There has been no significant change in the nature of this principal activity during the financial year.

RESULTS

RM'000

Profit for the year

1,706

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review.

DIVIDEND

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are as follows:

Chan Su San
Pusapadi Ramasubramania Raja Venketrama Raja
Ravikula Chandran Ramamurthy
Tai Yit Chan (Appointed on 15.11.2013)
Liew Irene (Resigned on 15.11.2013)

DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Holding company	<-- Number of ordinary shares of RSI 10.00 each -->			Balance at 31.3.2014
	Balance at 1.4.2013	Bought	Sold	
Ramco Systems Ltd.				
<i>Pusapadi Ramasubramania Raja</i>				
<i>Venketrama Raja</i>				
- Own	1,779,961	365,000	-	2,144,961
- Spouse	7,935	-	-	7,935
- Son	73,555	-	-	73,555
- Daughter	73,780	-	-	73,780
Ravikula Chandran Ramamurthy				
- Own	550	-	-	550

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of a related corporation) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 10 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up share capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the balance sheet and income statement of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Company for the financial year ended 31 March 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

18/5/14 *MM Raju - May*

.....
PUSAPADI RAMASUBRAMANIA RAJA
VENKETRAMA RAJA

R. Nik
.....
RAVIKULA CHANDRAN RAMAMURTHY

Chennai

Date: 12 May 2014

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET AT 31 MARCH 2014

	Note	2014 RM'000	2013 RM'000
EQUIPMENT	2	65	39
CURRENT ASSETS			
Trade and other receivables	3	9,700	1,223
Tax recoverable		168	-
Cash and cash equivalents	4	185	420
		<u>10,053</u>	<u>1,643</u>
CURRENT LIABILITIES			
Trade and other payables	5	(7,705)	(975)
		<u>(7,705)</u>	<u>(975)</u>
Net current assets		<u>2,348</u>	<u>668</u>
		<u>2,413</u>	<u>707</u>
 Financed by:			
SHARE CAPITAL	6	1,280	1,280
RETAINED PROFITS/(ACCUMULATED LOSSES)		<u>1,133</u>	<u>(573)</u>
SHAREHOLDERS' FUNDS		<u>2,413</u>	<u>707</u>

The notes on pages 10 to 17 are an integral part of these financial statements.

RAMCOSYSTEMS SDN. BHD.
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INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 RM'000	2013 RM'000
REVENUE		10,638	2,296
Cost of services rendered		<u>(6,917)</u>	<u>(2,388)</u>
GROSS PROFIT/(LOSS)		3,721	(92)
Administrative expenses		<u>(1,614)</u>	<u>(923)</u>
OPERATING PROFIT/(LOSS)		2,107	(1,015)
Finance income		<u>1</u>	<u>1</u>
PROFIT/(LOSS) BEFORE TAX	8	2,108	(1,014)
Tax expense	9	<u>(402)</u>	<u>-</u>
PROFIT/(LOSS) FOR THE YEAR		<u><u>1,706</u></u>	<u><u>(1,014)</u></u>

The notes on pages 10 to 17 are an integral part of these financial statements.

RAMCOSYSTEMS SDN. BHD.
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	Share capital RM'000	(Accumulated losses)/ Distributable Retained profits RM'000	Total RM'000
At 1 April 2012	1,280	441	1,721
Loss for the year	-	(1,014)	(1,014)
At 31 March 2013/1 April 2013	1,280	(573)	707
Profit for the year	-	1,706	1,706
At 31 March 2014	1,280	1,133	2,413

Note 6

The notes on pages 10 to 17 are an integral part of these financial statements.

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 RM'000	2013 RM'000
Cash flows from operating activities			
Profit/(Loss) before tax		2,108	(1,014)
Adjustments for:			
Depreciation	2	16	14
Finance income		(1)	(1)
Operating profit/(loss) before changes in working capital		2,123	(1,001)
Changes in working capital:			
Trade and other receivables		(8,477)	(221)
Trade and other payables		6,730	393
		(1,747)	172
Cash generated from/(used in) operation		376	(829)
Taxation paid		(570)	-
Net cash used in operating activities		(194)	(829)
Cash flows from investing activity			
Purchase of equipment	2	(42)	(38)
Cash flows from financing activities			
Increase in deposits pledged with licensed bank		(2)	(1)
Finance income		1	1
Net cash used in financing activities		(1)	-
Net decrease in cash and cash equivalents		(237)	(867)
Cash and cash equivalents at beginning of year		375	1,242
Cash and cash equivalents at end of year	A	138	375

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014 (continued)**NOTE TO THE CASH FLOW STATEMENT****A Cash and cash equivalents**

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Note	2014 RM'000	2013 RM'000
Cash and bank balances	4	138	375
Deposits with licensed banks	4	47	45
		<hr/>	<hr/>
		185	420
Less: Deposits pledged with licensed bank	4	(47)	(45)
		<hr/>	<hr/>
		138	375
		<hr/>	<hr/>

The notes on pages 10 to 17 are an integral part of these financial statements.

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

Ramcosystems Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of its registered office and principal place of business are as follows:

Registered office

Lot 6.05, Level 6
KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Principal place of business

3B-15-7 Block 3B Level 15
Plaza Sentral
50470 Kuala Lumpur
Malaysia

The principal activity of the Company is to carry on the business of a computer software house. The Company obtained Multimedia Super Corridor ("MSC") status in 1997. There has been no significant change in the nature of this principal activity during the financial year.

The holding company is Ramco Systems Ltd., a company incorporated in India.

These financial statements were authorised for issue by the Board of Directors on 12 May 2014.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Company and are consistent with those adopted in previous years.

1.1 Basis of accounting

The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and in accordance with Private Entity Reporting Standards, generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**1.2 Equipment**

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

The straight-line method is used to write off the cost of the following assets over the terms of their estimated useful lives at the following principal annual rates:

Computer	20%
Software	33.3%
Office equipment, furniture and fittings	20%

Gain and loss arising from disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of asset, and is recognised in the income statement.

1.3 Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

1.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with licensed banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits.

1.5 Liabilities

Trade and other payables are stated at cost.

1.6 Employee Benefits**(i) *Short-term employee benefits***

Wages, salaries and bonuses are recognised as expenses in the year in which the associated services are rendered by the employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) *Statutory Employer's contribution*

Obligations for contributions to statutory pension funds are recognised as an expense in the income statement as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.7 Impairment

The carrying amounts of assets, other than financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement.

1.8 Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1.9 Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of this amount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.10 Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia (“RM”) at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:

1 USD : RM 3.31 (2013: RM3.04)

1 INR : RM 0.05 (2013: RM0.06)

1.11 Revenue

Software sales, service and maintenance

(i) License fees

License fees revenue is recognised on delivery of the software.

(ii) Implementation fee

Implementation contracts are either milestones based or time and material based:

(a) In the case of milestones contract, revenue is recognised based on efforts spent and upon achievement of the milestones as per the terms of the contract.

(b) In the case of time and material contracts, revenue is recognised based on billable time spent on the project, priced at the contractual rate.

(iii) Services

Revenue from fixed price contracts is recognised on milestones achieved as per the terms of the specific contract and based on efforts spent.

(iv) Annual maintenance contract

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

2. EQUIPMENT

	Computers RM'000	Software RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Cost				
At 1 April 2013	150	590	184	924
Additions	17	-	25	42
At 31 March 2014	167	590	209	966
Accumulated Depreciation				
At 1 April 2013	137	590	158	885
Charge for the year	5	-	11	16
At 31 March 2014	142	590	169	901
Net book value				
At 31 March 2014	25	-	40	65
At 31 March 2013	13	-	26	39
Depreciation charge for the year ended 31 March 2013	5	-	9	14

3. TRADE AND OTHER RECEIVABLES

	2014 RM'000	2013 RM'000
Trade receivables	9,554	546
Other receivables and prepayments	95	73
Amounts due from related companies	51	604
	9,700	1,223

The amounts due from related companies are trade in nature, unsecured, interest free and have no fixed terms of repayment.

4. CASH AND CASH EQUIVALENTS

	2014 RM'000	2013 RM'000
Deposits placed with licensed banks	47	45
Cash and bank balances	138	375
	<u>185</u>	<u>420</u>

Included in the deposits placed with licensed banks is RM47,000 (2013: RM45,000) pledged for a bank facility in respect of lien for Corporate Credit Card.

5. TRADE AND OTHER PAYABLES

	2014 RM'000	2013 RM'000
Other payables and accruals	3,197	684
Amount due to holding company	4,356	291
Amount due to a related company	152	-
	<u>7,705</u>	<u>975</u>

The amounts due to holding company and a related company are trade in nature, unsecured, interest free and have no fixed terms of repayment.

6. SHARE CAPITAL

	2014 RM'000	2013 RM'000
Authorised:		
1,500,000 ordinary shares of RM1 each	<u>1,500</u>	<u>1,500</u>
Issued and fully paid:		
1,280,000 ordinary shares of RM1 each	<u>1,280</u>	<u>1,280</u>

7. DEFERRED TAX**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

	2014 RM'000	2013 RM'000
Provision	721	163
Deductible temporary differences	(33)	(16)
Unabsorbed capital allowances	-	9
Unutilised tax losses	-	1,135
	<u>688</u>	<u>1,291</u>

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

8. PROFIT/(LOSS) BEFORE TAX

	2014 RM'000	2013 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):		
Audit fee	25	22
Bad debts written off	32	-
Depreciation	16	14
Finance income	(1)	(1)
Rental of premises	196	240
Realised (gain)/loss on foreign exchange	(43)	2
Professional fees paid to a firm where certain Directors are members	10	10
Royalty	<u>3,359</u>	<u>405</u>

The number of employees of the Company at the end of the year was 13 (2013: 10).

The staff costs for the year amounted to RM1,278,200 (2013: RM946,078) which include contributions to Employees' Provident Fund of RM16,401 (2013: RM6,933).

9. TAX EXPENSE

	2014 RM'000	2013 RM'000
Reconciliation of effective tax expense:		
Profit/(Loss) before tax	2,108	(1,014)
Income tax using Malaysia statutory tax rate	527	(254)
Non-deductible expenses	17	16
Changes in unrecognised temporary differences	(142)	238
	<u>402</u>	<u>-</u>

10. SIGNIFICANT RELATED COMPANY TRANSACTIONS

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Significant transactions with related parties are as follows:

	2014 RM'000	2013 RM'000
Holding company		
<i>Purchases</i>		
- Administrative expenses	170	173
- Services	1,471	348
- Royalty	3,359	405
	<u> </u>	<u> </u>
Related company		
<i>Purchases</i>		
- Services	972	533
<i>Sales</i>		
- Administrative Expenses	(89)	-
<i>Loan from</i>	(152)	-
	<u> </u>	<u> </u>
<i>Professional fees paid to a firm where certain Directors are members</i>	10	10
	<u> </u>	<u> </u>

The Directors of the Company are of the opinion that the above transactions have been entered into in the ordinary course of business of the Company.

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS PURSUANT TO
SECTION 169(15) OF THE COMPANIES ACT, 1965**

In the opinion of the Directors, the financial statements set out on pages 5 to 17 are drawn up in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2014 and of the results of its operations and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

22/5/14 *P. Venketra - Raju*

.....
PUSAPADI RAMASUBRAMANIA RAJA
VENKETRAMA RAJA

R. R. Ramamurthy

.....
RAVIKULA CHANDRAN RAMAMURTHY

Chennai

Date: 12 May 2014

RAMCOSYSTEMS SDN. BHD.
(Incorporated in Malaysia)

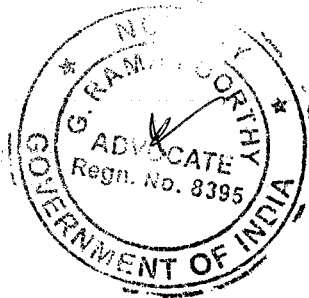
**STATUTORY DECLARATION PURSUANT TO
SECTION 169(16) OF THE COMPANIES ACT, 1965**

I, PUSAPADI RAMASUBRAMANIA RAJA VENKETRAMA RAJA, the Director primarily responsible for the financial management of Ramcosystems Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 17 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Chennai on 12 May 2014.

25/68 *Pusapadi Ramasubramania Raja Venketrama Raja*
.....
PUSAPADI RAMASUBRAMANIA RAJA
VENKETRAMA RAJA

Before me:



G. Ramamoorthy
G. RAMAMOORTHY, M.A., M.L.
ADVOCATE & NOTARY
GOVT. OF INDIA
H-36/M, MANTHOPE COLONY,
ASHOK NAGAR, CHENNAI-600 083



KPMG (Firm No. AF 0758)
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RAMCOSYSTEMS SDN. BHD.**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Ramcosystems Sdn. Bhd., which comprise the balance sheet as at 31 March 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 17.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2014 and of the results of its operations and cash flows for the year then ended in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF-0758
Chartered Accountants

LAM SHUH SIANG
Partner
Approval Number: 3045/02/15 (J)
Chartered Accountant

Date: 12 May 2014

IPOH