

DRC SYSTEMS EMEA L.L.C-FZ

Dubai - U.A.E.

Financial Statements & Auditor's Report
for the period ended 31 March 2023

Registered Address:
Meydan - Free Zone,
The Meydan Hotel,
Dubai - U.A.E.

DRC SYSTEMS EMEA L.L.C-FZ
Dubai - U.A.E.

INDEX

<u>CONTENTES</u>	<u>PAGE</u>
Directors' Report	-
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-17

DRC SYSTEMS EMEA L.L.C-FZ

DIRECTORS' REPORT

The directors submit their report and accounts for the period ended 31 March, 2023. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Results	<u>31.03.2023</u>
Revenue	<u>AED</u>
Gross profit	2,619,214
Net profit	1,274,517
	1,216,562

Review of the business

The company is registered to carry out the business of IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services

Events since the end of the year

There were no important events, which have occurred since the year end that materially affects the company.

Capital

The authorized, issued and paid up capital of the company is AED 100,000

Shareholder and it's interests

The shareholder and it's interests in the share capital of the Company as at 31 March, 2023 were as follows:

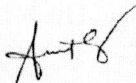
<u>Name</u>	<u>% of Holding</u>	<u>No. of Shares*</u>	<u>Amount AED</u>
DRC Systems India Limited	100%	100	100,000
		<u>100</u>	<u>100,000</u>

* face value AED 1,000 each

Independent Auditor

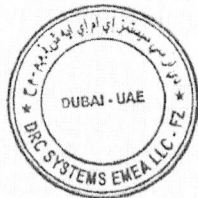
Thakkar Chartered Accountants were appointed as independent auditor for the period ended 31 March, 2023 and it is proposed that they be re-appointed for the year ended 31 March, 2024.

For DRC SYSTEMS EMEA L.L.C-FZ



Authorized Signatory

May 22, 2023



Independent Auditors' Report to the Shareholders of

DRC SYSTEMS EMEA L.L.C-FZ

Meydan - Free Zone, Dubai - U.A.E.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DRC SYSTEMS EMEA L.L.C-FZ (the "Company"), which comprises of the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as of 31 March 2023 and its financial performance and its cash flows for the period then ended 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 for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Information

Management is responsible for the other information. Other information comprises of the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

**Independent Auditors' Report to the Shareholders of
DRC SYSTEMS EMEA L.L.C-FZ**

Auditors' Responsibilities for the Audit of the Financial Statements

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

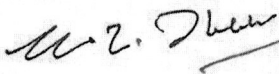
We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further confirm that we have obtained all information and explanations necessary for our audit and those proper financial records have been maintained by the company in accordance with the Jebel Ali Free Zone Authority regulations. To the best of our knowledge and belief no violations of said regulations have occurred which would have had a material effect on the business of the company or on its financial position.

For Thakkar Chartered Accountants

Dubai - U.A.E.



M. L. Thakkar
Auditor Reg. No. 214

Date: May 23, 2023



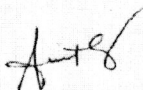
DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Statement of Financial Position as at 31 March, 2023

	<u>Notes</u>	<u>31.03.2023</u> <u>AED</u>
<u>ASSETS</u>		
Non-Current Assets :		
Property, plant and equipment	6	1,684
Intangible assets	7	322,960
Total Non-Current Assets		<u>324,644</u>
Current Assets :		
Trade and other receivables	8	1,320,405
Cash and bank balances	9	135,431
Total Current Assets		<u>1,455,835</u>
Total Assets		<u>1,780,480</u>
<u>EQUITY AND LIABILITIES</u>		
Equity :		
Share capital	10	100,000
Retained earnings		1,216,562
Total Equity		<u>1,316,562</u>
Current Liabilities :		
Trade and other payables	11	463,917
Total Current Liabilities		<u>463,917</u>
Total Equity and Liabilities		<u>1,780,480</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1 - 2.

For DRC SYSTEMS EMEA L.L.C-FZ


Authorized Signatory



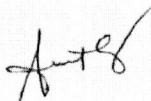
DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

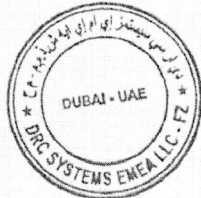
Statement of Comprehensive Income for the period ended 31 March, 2023

		<u>01.07.2022</u>
		<u>To</u>
		<u>31.03.2023</u>
	<i>Notes</i>	<i>AED</i>
Revenue	12	2,619,214
Less : Cost of revenue	13	(1,344,697)
Gross profit / (loss)		<u>1,274,517</u>
Less:		
Depreciation	6	(125)
Amortization	7	(7,340)
Expenses	14	(50,490)
Profit / (loss) for the period		<u>1,216,562</u>
Other comprehensive income		-
Total comprehensive income for the period		<u>1,216,562</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1 - 2.

For DRC SYSTEMS EMEA L.L.C-FZ


Authorized Signatory



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Statement of changes in Equity for the period ended 31 March, 2023

	<u>Share capital</u> <u>AED</u>	<u>Retained earning</u> <u>AED</u>	<u>Total</u> <u>AED</u>
Shares issued during the period	100,000	-	100,000
Profit for the period	-	1,216,562	1,216,562
As at 31 March, 2023	<u>100,000</u>	<u>1,216,562</u>	<u>1,316,562</u>

The accompanying notes form an integral part of these financial statements.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Statement of Cash Flows for the period ended 31 March, 2023

		<u>01.07.2022</u>
		<u>To</u>
		<u>31.03.2023</u>
		<u>AED</u>
<u>I. Cash Flows From Operating Activities :-</u>		
Net profit for the year		1,216,562
Adjustment for :-		
Depreciation		125
Amortization		7,340
Operating profit before working capital changes		<u>1,224,028</u>
(Increase) / Decrease in trade & other receivables		(1,320,405)
Increase / (Decrease) in trade & other payable		463,917
Changes in other current Liabilities		-
Cash Generated from Operations		<u>367,541</u>
Net cash flow / (used in) operating activities	(A)	<u>367,541</u>
<u>II. Cash Flows From Investing Activities :-</u>		
Purchase of fixed assets (Net)		(332,110)
Net cash (used in) investing activities	(B)	<u>(332,110)</u>
<u>III. Cash Flows From Financing Activities :-</u>		
Shares issued during the period		100,000
Loan to a related party -net		-
Net cash flow / (used in) financing activities	(C)	<u>100,000</u>
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	<u><u>135,431</u></u>
Cash and cash equivalents - Beginning of the year		-
Cash and cash equivalents - End of the year	9	<u><u>135,431</u></u>

The accompanying notes form an integral part of these financial statements.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

1 Legal status and business activity

- a) DRC SYSTEMS EMEA L.L.C-FZ ("The Company") is a free zone limited liability company, registered with Meydan - Free Zone Authority, Dubai, under license number 2100011.01.
- b) The company is registered to carry out the business of IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services

2 Basis of preparation

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued or adopted by the International Accounting Standards Board (IASB) and the applicable requirements of the concerned authority.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams (AED), which is the company's functional and presentation currency.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

3 Adoption of new and revised International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

- Annual improvements to IFRS : 2018-2020 cycle;
- Amendments to IFRS 3 - Definition of a Business;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts–Cost of Fulfilling a Contract);
- IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use);

During the current year, the management has adopted the above amendments to the extent applicable to them from their effective dates.

b) International Financial Reporting Standards issued but not effective

The following new standards / amendments to standards which were issued up to 31 March 2023 and are not yet effective for the year ended 31 March 2023 have not been applied while preparing these financial statements. The Company does not expect that the adoption of these standards / amendments will have a material impact on its financial statements:

IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback) is set for annual periods beginning on or after 1 January 2024.

IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or non-Current) is set for annual periods beginning on or after 1 January 2024.

The company has not early adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

4 Significant accounting policies

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies adopted, are as follows:

a) Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and cumulated impairment losses.

The cost of fixed assets is depreciated by Written down value method over their estimated useful lives

Depreciation on additions is calculated on a pro-rata basis from the month of additions and on deletion up to the month of deletion of the asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognized within 'other operating income/expenses' in profit or loss.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

b) Intangible assets

Intangible assets represents payments made to acquire computer software and are measured on initial recognition at cost. An intangible asset is amortized over a period of 5 - 10 years.

Intangible assets with indefinite useful lives are stated at cost less impairment, if any and are not amortized. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount. Such impairment losses are reported in the statement of comprehensive income.

c) Financial instruments

Initial Recognition and Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss, are added to the fair value on initial recognition.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment.

Gains and losses are recognized in Statement of comprehensive income when the loans and receivables are derecognized or impaired, and through the amortization process.

Classification and subsequent measurement of financial assets

Changes in fair value on liabilities are recognized in the statement of comprehensive income.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

Derecognition of financial assets and financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Trade and other receivables

Trade receivables are carried at the original invoice amount to the customers. An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts. Bad debts are written off when identified.

e) Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams (AED) at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams (AED) at the rate of exchange ruling at the reporting date. Resulting gains or losses arising from the foreign currency transactions are taken to the statement of comprehensive income.

For trade receivables and other current assets, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

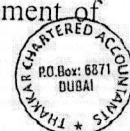
f) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows.

For financial assets carried at amortized cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognized in the Statement of Comprehensive Income.

If a write-off is later recovered, the recovery is credited to finance costs in the Statement of Comprehensive Income.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

g) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the Statement of Comprehensive Income.

h) Trade and other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

i) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

j) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

k) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the Statement of Comprehensive Income on a straight line basis over the period of lease.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

l) Value Added Tax

Expenses and assets are recognized net of the amount of VAT, except:

-When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, In which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

-When 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.

m) Revenue recognition

Services

Revenue comprises the fair value of the consideration received or receivable for the services provided in the ordinary course of the companies' activities. Revenue includes unbilled revenue, based on percentage of completion method.

The amount of revenue is shown as net of rebates, discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

n) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash on hand, bank balance in current accounts and deposits free of encumbrance with a maturity date of three months or less from the date of deposits and highly liquid investments with a maturity date of three months or less from the date of investment.

5 Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to income statement or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Residual values of Property, plant and equipments

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of Property, plant and equipments

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

Carrying value of intangible assets

Carrying values of the intangible assets are assessed for premiums as commanded by the market forces on a periodic basis. Based on such assessments the premiums are reduced to their estimated market valuation.

Doubtful debt provisions

Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

6 Property, plant and equipment

	<u>Computer server and networks</u>	<u>Total</u>
<u>Cost :</u>	<u>AED</u>	<u>AED</u>
As at 01.07.2022	-	-
Additions during the period	1,810	1,810
As at 31.03.2023	<u>1,810</u>	<u>1,810</u>
<u>Depreciation :</u>		
As at 01.07.2022	-	-
Charge during the period	125	125
As at 31.03.2023	<u>125</u>	<u>125</u>
<u>Net book value :</u>		
As at 31.03.2023	<u>1,684</u>	<u>1,684</u>

7 Intangible assets

	<u>Computer software</u>
<u>Cost :</u>	<u>AED</u>
As at 01.07.2022	-
Additions during the period	330,300
As at 31.03.2023	<u>330,300</u>
<u>Amortization :</u>	
As at 01.07.2022	-
Amortization during the period	7,340
As at 31.03.2023	<u>7,340</u>
<u>Net book value :</u>	
As at 31.03.2023	<u>322,960</u>



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

	<u>31.03.2023</u> <u>AED</u>
8 Trade and other receivables	
Trade receivables	1,119,888
Advances to suppliers	148,243
Prepaid expenses	6,860
Accrued Income	45,414
	1,320,405
9 Cash and bank balance	
Bank balances	135,431
	135,431
10 Share capital	
100 shares of AED 1,000/- each	100,000
11 Trade and other payables	
Trade payable	445,724
Excess billing over revenue	1,691
Provision for expenses	3,500
VAT payable	13,002
	463,917
12 Revenue	
Local Service	1,518,214
Export Service	1,101,000
	2,619,214
13 Cost of revenue	
Direct Expenses	1,344,697
	1,344,697
14 Expenses	
Audit fees	3,500
Rent	27,000
Administrative expenses	5,700
License fees	6,860
Bank charges	4,384
Repair and Maintenance Exp	330
Professional Consultancy Expenses	1,000
Net Foreign Exchange Gain/Loss	1,716
	50,490



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

15 Related party transactions

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 that party's financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties comprise companies and entities under common ownership and/or common management and/or control and key management personnel.

The company enters into transactions with companies that all within the definition of a related party as contained in International Accounting Standard 24: Related Party Disclosures. The management consider such transactions to be in normal course of business and terms which correspond to those on normal arm's length transactions with third parties.

The nature of significant related party transactions and the amounts involved during the period are as under:

<u>Nature of relationship</u>	<u>Name of related parties</u>	
Holding company	: DRC Systems India Limited	<u>31.03.2023</u> <u>AED</u>
Issue of shares :		
DRC Systems India Limited		<u>100,000</u>
Services Taken:		
DRC Systems India Limited		<u>849,679</u>

The closing balances with related parties, as of the reporting date, are as follows:

Share capital :		
DRC Systems India Limited		<u>100,000</u>
Trade Payable		
DRC Systems India Limited		<u>445,724</u>

16 Financial instruments: Credit, interest rate, liquidity and exchange rate risk exposures

The company has exposure to the following financial risks from its use financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of trade and other receivables and bank balances.



DRC SYSTEMS EMEA L.L.C-FZ
Meydan - Free Zone, Dubai - U.A.E.

Notes to the financial statements for the period ended 31 March, 2023

Trade and other receivables

There is no significant concentration of credit risk from receivables within or outside U.A.E. and outside the industry in which the company operates.

Bank balances

The company's bank balance in current accounts is placed with high credit quality financial institutions.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

In absence of any bank deposits or borrowings, the interest rate risk is minimal.

Exchange rate risk

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirham is fixed.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

17 Financial instruments: Fair values

The fair values of the company's financial assets and financial liabilities approximate to their carrying values.

18 General

This is first audited financial statement issued for the period ended 31 March 2023, since this is the first year of company's operations.

