
INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
DRC Systems EMEA L.L.C-FZ
Meydan – Free Zone,
Dubai – U.A.E

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of **DRC Systems EMEA L.L.C-FZ** ('the Company'), which comprise the statement of financial position as of 31st March 2025, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

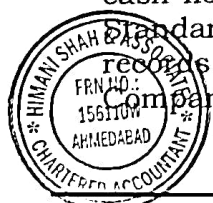
In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st March 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the International Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and



other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error. In preparing these Special purpose financial statements, management and Board of Directors are 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. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose 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 high level of assurance but is not a guarantee that an audit conducted in accordance with SAs 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 Special purpose financial statements.

As part of an audit in accordance with SAs, 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. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. 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 going concern.



- Evaluate the overall presentation, structure 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March 2025 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of DRC Systems India Limited for the year ended 31st March 2025. Our report is strictly intended solely for the information and use by DRC Systems India Limited for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For Himani Shah & Associates
Chartered Accountants
FRN No. 156110W

Date: 8th May, 2025

Place: Ahmedabad



Himani Shah
M. No. 175204
UDIN: 25175204BMOWPX1444

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

Statement of Financial Position as at March 31, 2025

| | <i>Notes</i> | <u>31.03.2025</u> <u>AED</u> | <u>31.03.2024</u> <u>AED</u> |
|--------------------------------------|--------------|---------------------------------|---------------------------------|
| <u>ASSETS</u> | | | |
| Non-Current Assets: | | | |
| Property, plant and equipment | 5 | 1,188 | 620 |
| Intangible assets | 6 | 1,78,16,422 | 40,34,961 |
| Intangible assets under development | 6A | - | 45,87,500 |
| Investments | 7 | 50,000 | 50,000 |
| Total Non-Current Assets | | <u>1,78,67,611</u> | <u>86,73,081</u> |
| Current Assets: | | | |
| Trade and other receivables | 8 | 54,09,835 | 58,75,098 |
| Loans and advances | 9 | - | 1,56,900 |
| Bank balances | 10 | 3,58,838 | 11,13,658 |
| Total Current Assets | | <u>57,68,673</u> | <u>71,45,657</u> |
| Total Assets | | <u>2,36,36,284</u> | <u>1,58,18,738</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Equity: | | | |
| Share capital | 11 | 1,62,000 | 1,00,000 |
| Retained earnings | | 1,00,02,300 | 52,92,139 |
| Securities Premium | | 32,87,217 | - |
| Total Equity | | <u>1,34,51,517</u> | <u>53,92,139</u> |
| Current Liabilities: | | | |
| Trade and other payables | 12 | 1,01,84,767 | 1,04,26,599 |
| Total Current Liabilities | | <u>1,01,84,767</u> | <u>1,04,26,599</u> |
| Total Equity and Liabilities | | <u>2,36,36,284</u> | <u>1,58,18,738</u> |

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

As per our report of even date attached
For Himani Shah & Associates
Chartered Accountants

Himani Shah
Proprietor
M No. 175204
Place : Ahmedabad
Date : 08th May 2025



For DRC SYSTEMS EMEA L.L.C-FZ

K. Vignesh P.

Director

Place :
Date : 08th May 2025



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

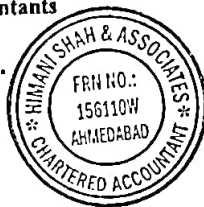
Statement of Comprehensive Income for the year ended March 31, 2025

| | | <u>01.04.2024</u> <u>To</u> <u>31.03.2025</u> <u>AED</u> | <u>01.04.2023</u> <u>To</u> <u>31.03.2024</u> <u>AED</u> |
|--|--------------|---|---|
| | <i>Notes</i> | | |
| Revenue | 13 | 1,23,35,130 | 58,15,555 |
| Less: Cost of revenue | 14 | <u>(52,25,067)</u> | <u>(15,59,259)</u> |
| Gross profit | | <u>71,10,064</u> | <u>42,56,296</u> |
| Less: | | | |
| Depreciation | 5 | (1,336) | (1,064) |
| Amortization | 6 | (8,98,539) | (49,749) |
| Expenses | 15 | (10,75,446) | (1,30,134) |
| Add: Indirect income | | 4,170 | 227 |
| Profit before tax for the year/period | | <u>51,38,913</u> | <u>40,75,576</u> |
| Tax Expenses | | | |
| Current Tax | | 4,28,752 | - |
| Profit after tax for the year/period | | <u>47,10,162</u> | <u>40,75,576</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year/period | | <u>47,10,162</u> | <u>40,75,576</u> |

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

As per our report of even date attached
For Himani Shah & Associates
Chartered Accountants

Himani Shah
Himani Shah
Proprietor
M No. 175204
Place : Ahmedabad
Date : 08th May 2025



For DRC SYSTEMS EMEA L.L.C-FZ

K. Vignesh

Director

Place :
Date : 08th May 2025



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

Statement of changes in Equity for the year ended March 31, 2025

| | <u>Share capital AED</u> | <u>Retained earning AED</u> | <u>Securities Premium AED</u> | <u>Total AED</u> |
|-------------------------------|----------------------------------|-------------------------------------|---------------------------------------|----------------------|
| As at 31 March 2023 | <u>1,00,000</u> | <u>12,16,562</u> | <u>-</u> | <u>13,16,562</u> |
| Profit for the period | <u>-</u> | <u>40,75,576</u> | <u>-</u> | <u>40,75,576</u> |
| As at 31 March 2024 | <u>1,00,000</u> | <u>52,92,139</u> | <u>-</u> | <u>53,92,139</u> |
| Shares issued during the year | <u>62,000</u> | <u>-</u> | <u>32,87,217</u> | <u>33,49,217</u> |
| Profit for the period | <u>-</u> | <u>47,10,162</u> | <u>-</u> | <u>47,10,162</u> |
| As at 31 March 2025 | <u>1,62,000</u> | <u>1,00,02,300</u> | <u>32,87,217</u> | <u>1,34,51,517</u> |

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

As per our report of even date attached
For Himani Shah & Associates
Chartered Accountants

Himani Shah
Proprietor
M No. 175204
Place : Ahmedabad
Date : 08th May 2025



For DRC SYSTEMS EMEA L.L.C-FZ

K. Vignesh P.

Director

Place :
Date : 08th May 2025



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

Statement of Cash Flows for the year ended March 31, 2025

| | <u>01.04.2024</u> <u>To</u> <u>31.03.2025</u> <u>AED</u> | <u>01.04.2023</u> <u>To</u> <u>31.03.2024</u> <u>AED</u> |
|--|---|---|
| <u>I. Cash Flows From Operating Activities:</u> | | |
| Net profit for the year/period | 51,38,913 | 40,75,576 |
| Adjustment for :- | | |
| Depreciation | 1,336 | 1,064 |
| Amortization | 8,98,539 | 49,749 |
| Bad Debts | 8,47,900 | - |
| Operating profit before working capital changes | 68,86,687 | 41,26,389 |
| (Increase) / Decrease in trade & other receivables | 45,11,125 | (45,54,694) |
| Increase / (Decrease) in trade & other payable | (6,70,585) | 99,62,682 |
| Cash generated from operations | 1,07,27,228 | 95,34,377 |
| Direct taxes paid | - | - |
| Net cash flow / (used in) operating activities | (A) 1,07,27,228 | 95,34,377 |
| <u>II. Cash Flows From Investing Activities:</u> | | |
| Purchase of fixed assets (Net) | (1,00,94,404) | (83,49,250) |
| Purchase of investments | - | (50,000) |
| Advance for Acquisition of Shares | (48,93,762) | - |
| Loans and advances given | 1,56,900 | (1,56,900) |
| Net cash (used in) investing activities | (B) (1,48,31,265) | (85,56,150) |
| <u>III. Cash Flows From Financing Activities:</u> | | |
| Proceeds from issue of shares | 33,49,217 | - |
| Net cash flow / (used in) financing activities | (C) 33,49,217 | - |
| Net increase/(decrease) in cash and cash equivalents | (A+B+C) (7,54,821) | 9,78,227 |
| Cash and cash equivalents - Beginning of the year | 11,13,659 | 1,35,431 |
| Cash and cash equivalents - End of the year | 10 3,58,838 | 11,13,659 |

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

As per our report of even date attached
For Himani Shah & Associates
Chartered Accountants

Himani Shah
Himani Shah
Proprietor
M No. 175204
Place : Ahmedabad
Date : 08th May 2025



For DRC SYSTEMS EMEA L.L.C-FZ

K. Vignesh P.

Director

Place :
Date : 08th May 2025



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

Notes to the financial statements for the year ended March 31, 2025

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
- c) The registered office of the company is located at Business Center 1, M Floor, The Meydan Hotel, Nad Al Sheba, Dubai, U.A.E.

2A Application of new and revised standards

a) New and amended Standards that are effective for the current year

In the current year, the adoption of amendments to IFRS Accounting Standards issued by the International Accounting Standards

| New and revised Standards | Effective for annual periods beginning on or |
|---|--|
| Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements | 01-Jan-24 |
| Amendments to IFRS 16: Lease Liability in a Sale and Leaseback | 01-Jan-24 |
| Amendments to IAS 1 Classification of Liabilities as Current or Non-current | 01-Jan-24 |
| IFRS Sustainability Disclosure Standards | 01-Jan-24 |
| Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have | |

b) New and revised Standards in issue but not yet effective

The Entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

| New and revised Standards | Effective for annual periods beginning on or |
|--|--|
| Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an | 01-Jan-24 |
| Amendments to IAS 21 Lack of exchangeability | 01-Jan-24 |
| IFRS 18 Presentation and Disclosure in Financial Statements | 01-Jan-24 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | 01-Jan-24 |

Management anticipates that these standards will not have any significant impact on these financial statements

2B 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.



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

Notes to the financial statements for the year ended March 31, 2025

e) Functional and presentation currency

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

3 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

| | |
|------------------------------|---------|
| Computer server and networks | 3 years |
|------------------------------|---------|

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.

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



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

Notes to the financial statements for the year ended March 31, 2015

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.

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

Notes to the financial statements for the year ended March 31, 2025

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.

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.



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

Notes to the financial statements for the year ended March 31, 2015

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.

4 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.

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 equipment

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 equipment

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 year ended March 31, 2025

5 Property, plant and equipment

| | <u>Computer server and networks</u> | <u>Total</u> |
|---------------------------|---|--------------|
| | <u>AED</u> | <u>AED</u> |
| <u>Cost :</u> | | |
| As at 31.03.2023 | 1,810 | 1,810 |
| Additions during the year | - | - |
| As at 31.03.2024 | 1,810 | 1,810 |
| Additions during the year | 1,904 | 1,904 |
| As at 31.03.2025 | 3,713 | 3,713 |
| <u>Depreciation :</u> | | |
| As at 31.03.2023 | 125 | 125 |
| Charge during the year | 1,064 | 1,064 |
| As at 31.03.2024 | 1,189 | 1,189 |
| Charge during the year | 1,336 | 1,336 |
| As at 31.03.2025 | 2,525 | 2,525 |
| <u>Net book value :</u> | | |
| As at 31.03.2025 | 1,188 | 1,188 |
| As at 31.03.2024 | 620 | 620 |

6 Intangible assets

| | <u>Computer software</u> |
|------------------------------|--------------------------|
| | <u>AED</u> |
| <u>Cost :</u> | |
| As at 31.03.2023 | 3,30,300 |
| Additions during the year | 37,61,750 |
| As at 31.03.2024 | 40,92,050 |
| Additions during the year | 1,46,80,000 |
| As at 31.03.2025 | 1,87,72,050 |
| <u>Amortization :</u> | |
| As at 31.03.2023 | 7,340 |
| Amortization during the year | 49,749 |
| As at 31.03.2024 | 57,089 |
| Amortization during the year | 8,98,539 |
| As at 31.03.2025 | 9,55,628 |
| <u>Net book value :</u> | |
| As at 31.03.2025 | 1,78,16,422 |
| As at 31.03.2024 | 40,34,961 |



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

Notes to the financial statements for the year ended March 31, 2025

| | | | |
|---|------------------|--------------------------|-------------------|
| 6A Intangible assets under development | | <u>Computer software</u> | |
| | | <u>AED</u> | |
| As at 31.03.2023 | | - | |
| Additions during the year | | 45,87,500 | |
| As at 31.03.2024 | | 45,87,500 | |
| Additions during the year | | 1,00,92,500 | |
| Capitalised during the year | | (1,46,80,000) | |
| As at 31.03.2025 | | 0 | |
| | | <u>31.03.2025</u> | <u>31.03.2024</u> |
| | | <u>AED</u> | <u>AED</u> |
| 7 Investments | | | |
| Investment in AppiZap LLC FZ | 50,000 | 50,000 | |
| 50 shares of AED 1000/- each | | | |
| | <u>50,000</u> | <u>50,000</u> | |
| * Investment in associate represents 50% investment in shares of AppiZap L.L.C-FZ, a free zone limited liability company, registered with Meydan Free Zone, Dubai, U.A.E. | | | |
| 8 Trade and other receivables | | | |
| Trade receivables | 19,176 | 49,07,463 | |
| Advances to suppliers | 4,90,647 | 3,52,402 | |
| Prepaid expenses | 6,251 | 6,073 | |
| Accrued income | - | 6,09,161 | |
| Advance for acquisition of shares | 48,93,762 | - | |
| | <u>54,09,835</u> | <u>58,75,098</u> | |
| 9 Loans and advances | | | |
| Loan to others | - | 1,56,900 | |
| | <u>-</u> | <u>1,56,900</u> | |
| 10 Bank balance | | | |
| Bank balances | 3,58,838 | 11,13,658 | |
| | <u>3,58,838</u> | <u>11,13,658</u> | |



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

Notes to the financial statements for the year ended March 31, 2025

| | | |
|--|----------|----------|
| 11 Share capital | | |
| Issued share capital | 1,62,000 | 1,00,000 |
| 162 shares of AED 1,000/- each | | |
| (Previous year 100 shares of AED 1,000/- each) | | |

The shareholder and it's interests in the share capital of the Company as on reporting date are as follows:

| <u>Name</u> | <u>% of Holding</u> | <u>No. of shares*</u> | <u>Amount AED</u> |
|---------------------------|---------------------|-----------------------|-------------------|
| DRC Systems India Limited | 100% | 162 | 1,62,000 |
| | 100% | 162 | 1,62,000 |

* face value AED 1,000 each

| | <u>31.03.2025</u> | <u>31.03.2024</u> |
|------------------------------------|--------------------|--------------------|
| | <u>AED</u> | <u>AED</u> |
| 12 Trade and other payables | | |
| Advance from customers | - | 500 |
| Excess billing over revenue | 94,23,178 | 25,73,294 |
| Provision for expenses | 2,93,600 | 4,875 |
| VAT payable | 39,237 | 44,593 |
| Creditor for capital expenses | - | 78,03,338 |
| Provision for Income Tax | 4,28,752 | - |
| | <u>1,01,84,767</u> | <u>1,04,26,599</u> |
| 13 Revenue | | |
| Local service | 70,31,980 | 58,01,217 |
| Export service | 53,03,150 | 14,339 |
| | <u>1,23,35,130</u> | <u>58,15,555</u> |
| 14 Cost of revenue | | |
| Resource Deployment charges | 29,72,700 | 4,491 |
| Platform Fees Expense | 7,34,000 | 8,49,122 |
| Employee Benefit Expense | 9,60,527 | 7,05,647 |
| Contracting Expenses | 5,57,840 | 0 |
| | <u>52,25,067</u> | <u>15,59,259</u> |
| 15 Expenses | | |
| Audit fees | - | 9,750 |
| Rent | 1,08,000 | 76,500 |
| Administrative expenses | 68,990 | 16,965 |
| License fees | 12,324 | 13,290 |
| Bank charges | 17,057 | 5,504 |
| Repair and Maintenance Exp | 140 | 280 |
| Professional Consultancy Expenses | 4,540 | - |
| Net Foreign Exchange Gain/Loss | - | 1,601 |
| Balances Written off | - | 1,800 |
| Accommodation Expenses | 2,058 | 1,366 |
| Office Expenses | - | 50 |
| Sales Promotion Expenses | - | 1,725 |
| Travelling Expenses | 3,157 | 1,303 |
| Bad Debts | 8,47,900 | - |
| Internet Expenses | 10,900 | - |
| Printing and Stationery Expenses | 380 | - |
| | <u>10,75,446</u> | <u>1,30,134</u> |



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

Notes to the financial statements for the year ended March 31, 2025

16 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 year are as under:

| <u>Nature of relationship</u> | | | |
|---|---|---------------------------|-------------------|
| Holding company | : | DRC Systems India Limited | |
| Fellow subsidiary company | : | DRC Systems USA LLC | |
| Associate company | : | AppiZap L.L.C-FZ | |
| | | <u>31.03.2025</u> | <u>31.03.2024</u> |
| | | <u>AED</u> | <u>AED</u> |
| Issue of share capital : | | | |
| DRC Systems India Limited | | 33,49,217 | - |
| Services Taken: | | | |
| DRC Systems India Limited | | 26,79,100 | 8,49,122 |
| Investment in Associate | | | |
| AppiZap L.L.C-FZ | | - | 50,000 |
| Advance given for Investment in Associate | | | |
| AppiZap L.L.C-FZ | | 48,93,762 | - |
| Loan Given | | | |
| DRC Systems USA LLC | | - | 55,199 |
| Receipt against Loan Given | | | |
| DRC Systems USA LLC | | - | 55,199 |
| The closing balances with related parties, as of the reporting date, are as follows: | | | |
| Provision for Expenses | | | |
| DRC Systems India Limited | | 2,93,600 | - |
| Investment in Associate | | | |
| AppiZap L.L.C-FZ | | 50,000 | 50,000 |
| Advance given for Investment in Associate | | | |
| AppiZap L.L.C-FZ | | 48,93,762 | - |



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

Notes to the financial statements for the year ended March 31, 2025

17 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.

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

18 Financial instruments: Fair values

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

19 Comparative figures

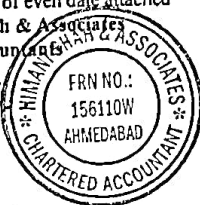
Previous period figures have been recast or regrouped wherever necessary to make them comparable with current year figures.

20 General

DRC Systems India Limited, India is the parent entity holding 100% of shares of the Company. The financial statements of the Company have been drawn up as a special purpose financial statements for the consolidation purpose with the holding company.

As per our report of even date attached
For Himani Shah & Associates
Chartered Accountants

Himani Shah
Proprietor
M No. 175204
Place : Ahmedabad
Date : 08th May 2025



For DRC SYSTEMS EMEA L.L.C-FZ

K. Vignesh P.

Director

Place :
Date : 08th May 2025



INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS of

DRC SYSTEMS USA LLC.

16192 Coastal Highway, Lewes,
Delaware 19958, Country of Sussex.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of **DRC SYSTEMS USA LLC** ('the Company'), which comprise the statement of financial position as of 31st March 2025, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st March 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities* for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

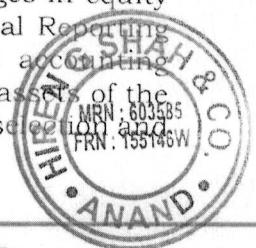
Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the International Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

DRC SYSTEMS INDIA LIMITED

Acclhs

DIRECTOR



application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are 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. Board of Directors is also responsible for overseeing the Company's financial reporting process.


Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose 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 high level of assurance but is not a guarantee that an audit conducted in accordance with SAs 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 Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. 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 going concern.

DRC SYSTEMS INDIA LIMITED


DIRECTOR



- Evaluate the overall presentation, structure 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March 2025 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of DRC Systems India Limited for the year ended 31st March 2025. Our report is strictly intended solely for the information and use by DRC Systems India Limited for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

Date: 06.05.2025

Place: Anand

UDIN: 25603585BMISNB9264



For Hiren G Shah & Co
Chartered Accountants

FRN No. 155146W

CA Hiren Shah

Proprietor

M. No. 603585

DRC SYSTEMS INDIA LIMITED

DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Statement of Financial Position as at March 31, 2025

| | <u>Notes</u> | <u>31.03.2025</u> <u>USD</u> | <u>31.03.2024</u> <u>USD</u> |
|--|--------------|---------------------------------|---------------------------------|
| <u>ASSETS</u> | | | |
| Current Assets : | | | |
| Trade and other receivables | 3 | 39,754 | 19,741 |
| Cash and bank balances | 4 | 14,042 | 19,235 |
| Total Current Assets | | <u>53,796</u> | <u>38,976</u> |
| Total Assets | | <u>53,796</u> | <u>38,976</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Equity : | | | |
| Share capital | 5 | 100 | 100 |
| Retained earnings | | (2,287) | 15,276 |
| Total Equity | | <u>(2,187)</u> | <u>15,376</u> |
| Current Liabilities : | | | |
| Trade and other payables | 6 | 55,983 | 23,600 |
| Total Current Liabilities | | <u>55,983</u> | <u>23,600</u> |
| Total Equity and Liabilities | | <u>53,796</u> | <u>38,976</u> |

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

As per our report even dated
For, Hiren G Shah & Co
Chartered Accountants
FRN : 155146W

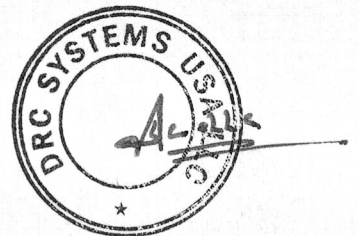
CA Hiren Shah
Proprietor
M.No. 603585
UDIN
256035856M23M69264
Place: Anand
Date: 6th May 2025



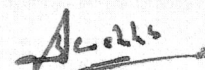
For DRC SYSTEMS USA L.L.C

Authorized Signatory

Place:
Date: 6th May 2025



DRC SYSTEMS INDIA LIMITED


DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Statement of Comprehensive Income for the year ended March 31, 2025

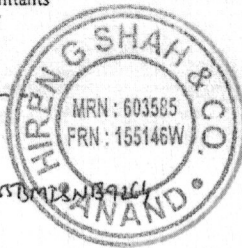
| | | <u>01.04.2024</u> | <u>17.07.2023</u> |
|---|--------------|-------------------|-------------------|
| | | <u>To</u> | <u>To</u> |
| | | <u>31.03.2025</u> | <u>31.03.2024</u> |
| | <u>Notes</u> | <u>USD</u> | <u>USD</u> |
| Revenue | 7 | 452,659 | 172,347 |
| Less: Cost of revenue | 8 | (414,022) | (153,535) |
| Gross profit / (loss) | | <u>38,638</u> | <u>18,812</u> |
| Less: | | | |
| Expenses | 9 | (56,201) | (3,536) |
| Profit / (loss) for the year | | <u>(17,563)</u> | <u>15,276</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>(17,563)</u> | <u>15,276</u> |

The accompanying notes form an integral part of these financial statements

As per our report even dated
For, Hiren G Shah & Co
Chartered Accountants
FRN : 155146W

CA Hiren Shah
Proprietor
M No. 603585
UDIN: 25603585120189264

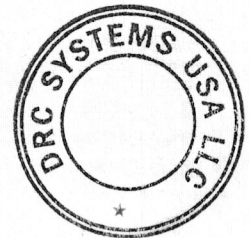
Place: Anand
Date: 6th May 2025



For DRC SYSTEMS USA L.L.C

Authorized Signatory

Place:
Date: 6th May 2025



DRC SYSTEMS INDIA LIMITED

DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

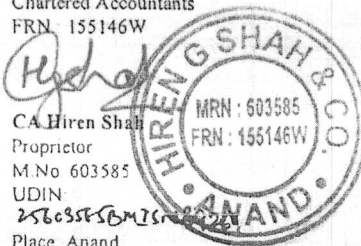
Statement of changes in Equity for the year ended March 31, 2025

| | Share capital <u>USD</u> | Retained earning <u>USD</u> | Total <u>USD</u> |
|-----------------------|--------------------------------|-----------------------------------|---------------------|
| As at April 01, 2023 | 100 | - | 100 |
| Profit for the period | - | 15,276 | 15,276 |
| As at 31 March, 2024 | 100 | 15,276 | 15,376 |
| Profit for the period | - | (17,563) | (17,563) |
| As at 31 March, 2025 | 100 | (2,287) | (2,187) |

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

As per our report even dated
For, Hiren G Shah & Co
Chartered Accountants
FRN: 155146W

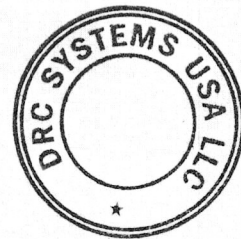
CA Hiren Shah
Proprietor
M.No 603585
UDIN:
256635856M7567522
Place: Anand
Date: 6th May 2025



For DRC SYSTEMS USA L.L.C


Authorized Signatory

Place:
Date: 6th May 2025



DRC SYSTEMS INDIA LIMITED


DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Statement of Cash Flows for the year ended March 31, 2025

| | <u>01.04.2024</u> <u>To</u> <u>31.03.2025</u> <u>USD</u> | <u>17.07.2023</u> <u>To</u> <u>31.03.2024</u> <u>USD</u> |
|--|---|---|
| <u>I. Cash Flows From Operating Activities :-</u> | | |
| Net profit for the year | (17,563) | 15,276 |
| Adjustment for - | | |
| Operating profit before working capital changes | (17,563) | 15,276 |
| (Increase) / Decrease in trade & other receivables | (20,013) | (19,741) |
| Increase / (Decrease) in trade & other payable | 32,383 | 23,600 |
| Cash Generated from Operations | (5,193) | 19,135 |
| Net cash flow / (used in) operating activities | (A) (5,193) | 19,135 |
| <u>II. Cash Flows From Investing Activities :-</u> | | |
| Net cash (used in) investing activities | (B) - | - |
| <u>III. Cash Flows From Financing Activities :-</u> | | |
| Issue of share capital | - | 100 |
| Net cash flow / (used in) financing activities | (C) - | 100 |
| Net increase/(decrease) in cash and cash equivalents | (A+B+C) (5,193) | 19,235 |
| Cash and cash equivalents - Beginning of the year | 19,235 | - |
| Cash and cash equivalents - End of the year | 4 14,042 | 19,235 |

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

As per our report even dated
For, Hiren G Shah & Co
Chartered Accountants
FRN : 155146W

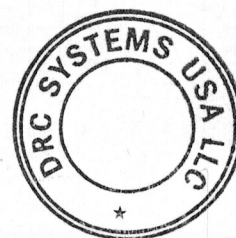
CA Hiren Shah
Proprietor
M.No. 603585
UDIN:
25603555BMEZNB9269
Place: Anand
Date: 6th May 2025



For DRC SYSTEMS USA L.L.C

Aeelle
Authorized Signatory

Place:
Date: 6th May 2025



DRC SYSTEMS INDIA LIMITED

Aeelle
DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Notes to the Financial Statements
Figures in US Dollars

1 Establishment and operations

DRC SYSTEMS USA L.L.C , is registered with State of Delaware, Secretary of State Division of Corporation.

DRC SYSTEMS USA L.L.C , is dealing in business of IT and IT enabled Services including web and mobile app development, maintenance, testing and related ancillary services.

2 Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are presented in United States of America Dollars (USD) since that is the currency of the country in which the Company is domiciled. A summary of the significant accounting policies, which have been adopted consistently, is set out below:

Basis of preparation

The financial statements have been prepared on historical cost basis.

Revenue recognition

Turnover comprises the amounts derived from the services provided within the company's ordinary activities.

Trade debtors

Accounts receivable are unsecured, unconfirmed but considered good and recoverable as per management. Bad debts are written off as they arise

Depreciation

Fixed assets are depreciated on straight line method and percentages charges are as follows:-

| | |
|--------------------------------|-----|
| Office equipments & furnitures | 20% |
| Computer server and networks | 20% |

We have relied upon the physical verification conducted by management

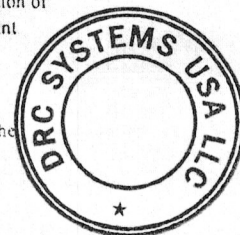
Intangible assets

Expenditure on intangible assets amortized by management over their useful life of 5 years. Where an indication of impairment exists the carrying amount of intangible asset is assessed and written down to its recoverable amount


Employees' end of service benefits

End of service benefits is accrued in accordance with the term of employment of the company's employees at the balance sheet date, having regard to the requirements of US Labour Law

Figures are rounded off to the nearest US Dollars.



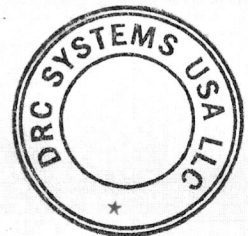
DRC SYSTEMS INDIA LIMITED


DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Notes to the financial statements for the year ended March 31, 2025

| | <u>31.03.2025</u> | <u>31.03.2024</u> |
|-----------------------------------|-------------------|-------------------|
| | <u>USD</u> | <u>USD</u> |
| 3 Trade and other receivables | | |
| Trade receivables | 25,011 | 5,510 |
| Advances to suppliers | 371 | 17 |
| Prepaid expenses | 1,332 | 1,839 |
| Accrued income | 13,040 | 12,375 |
| | <u>39,754</u> | <u>19,741</u> |
| 4 Cash and bank balance | | |
| Cash on hand | 100 | 100 |
| Bank balances | 13,942 | 19,135 |
| | <u>14,042</u> | <u>19,235</u> |
| 5 Share capital | | |
| 100 shares of USD 1/- each | <u>100</u> | <u>100</u> |
| 6 Trade and other payables | | |
| Advance from customers | 150 | - |
| Trade payable | 31,350 | 3,600 |
| Excess billing over revenue | 6,883 | - |
| Provision for expenses | 17,600 | 20,000 |
| | <u>55,983</u> | <u>23,600</u> |
| 7 Revenue | | |
| Local Service | 245,205 | 143,027 |
| Export Service | 207,455 | 29,320 |
| | <u>452,659</u> | <u>172,347</u> |
| 8 Cost of revenue | | |
| Direct Expenses | 414,022 | 153,535 |
| | <u>414,022</u> | <u>153,535</u> |
| 9 Expenses | | |
| Rent | 1,446 | - |
| Bank charges | 11,038 | 1,638 |
| Professional Consultancy Expenses | 13,843 | - |
| Net Foreign Exchange Gain/Loss | 557 | - |
| Insurance Expenses | 59 | - |
| Other Miscellaneous Expenses | 245 | - |
| Software Expenses | 18,553 | 607 |
| Telephone Expenses | 10,031 | 991 |
| Rates and Taxes | 429 | 300 |
| | <u>56,201</u> | <u>3,536</u> |



DRC SYSTEMS INDIA LIMITED

Anand

DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Notes to the financial statements for the year ended March 31, 2025

10 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> | <u>31.03.2025</u> | <u>31.03.2024</u> |
|--------------------------------|--------------------------------|-------------------|-------------------|
| | | <u>USD</u> | <u>USD</u> |
| Holding company | DRC Systems India Limited | | |
| Fellow subsidiary company | DRC SYSTEMS EMEA L L C-FZ | | |
| Services Taken: | | | |
| DRC Systems India Limited | | 270,267 | 90,535 |
| Loan Taken | | | |
| DRC SYSTEMS EMEA L L C-FZ | | - | 15,000 |
| Repayment of Loan Taken | | | |
| DRC SYSTEMS EMEA L L C-FZ | | - | 15,000 |

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

| | | | |
|-------------------------------|--|---|---|
| Provision for Expenses | | | |
| DRC Systems India Limited | | - | - |
| Trade payable | | | |
| DRC Systems India Limited | | - | - |

11 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

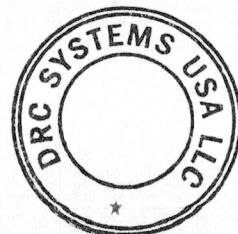
Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of trade and other receivables and bank balances.

Trade and other receivables

There is no significant concentration of credit risk from receivables within or outside USA 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.



DRC SYSTEMS INDIA LIMITED

Ac 223

DIRECTOR

DRC SYSTEMS USA L.L.C
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

Notes to the financial statements for the year ended March 31, 2025

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 US Dollars

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

12 Financial instruments: Fair values

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

13 General

DRC Systems India Limited, India is the parent entity holding 100% of shares of the Company. The financial statements of the Company have been drawn up as a special purpose financial statements for the consolidation purpose with the holding company.

As per our report even dated
For, Hiren G Shah & Co
Chartered Accountants
FRN : 155146W



CA Hiren Shah
Proprietor
M.No. 603585
UDIN:

260355BMSM6924

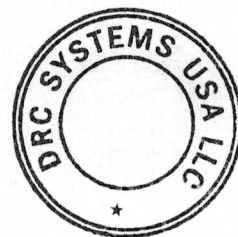
Place: Anand
Date: 6th May 2025



For DRC SYSTEMS USA L.L.C

Authorized Signatory

Place:
Date: 6th May 2025



DRC SYSTEMS INDIA LIMITED



DIRECTOR