ESDS CLOUD FZ-LLC
DUBAI - U.A.E
AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2023

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31 DECEMBER 2023

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INDEPENDENT AUDITORS' REPORT

THE SHAREHOLDER
ESDS CLOUD FZ-LLC
Dubai - U.A.E

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. ESDS Cloud FZ-LLC, Dubai - U.A.E which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements presented fairly in all material respects, the financial position of the company as of 31 December 2023 and its financial performance and its cash flows for the year 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 ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

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.

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Auditors' Responsibilities for the Audit of the Financial Statements (continuation)

• 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

According to the information available to us, there were no contraventions during the year. To the best of our knowledge and belief no violations of the U.A.E. Commercial Companies Law No. 2 of 2015, which would have had a material effect on the business of the company or on its financial position.

For Synergy Auditing & Accounting
Economic Reg. No. 820

Monday, May 27, 2024



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ESDS CLOUD FZ-LLC
DUBAI - U.A.E
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31/12/2023 AED	31/12/2022 AED
Assets			
Non-Current Assets:			
Fixed assets - Net	3	6,801	-
Intangible Assets		904,207	1,883,540
Other Intangible Assets		398,391	796,782
		1,309,399	**2,680,322**
Current Assets:			
Accounts Receivable		595,438	866,868
Other Accounts Receivable	4	439,216	193,413
Other Current Assets	5	-	2,223
Cash and Cash Equivalent	6	99,570	91,120
		1,134,224	**1,153,624**
Total Assets		**2,443,623**	**3,833,946**
Equity & Liabilities			
Equity:			
Share Capital	7	10,000	10,000
Retained Earnings		(12,198,929)	(8,791,126)
		(12,188,929)	**(8,781,126)**
Non-Current Liabilities:			
Provision for End Service Benefits		62,508	-
		62,508	**-**
Current Liabilities:			
Accounts and Other Payables	8	237,823	406,069
Due to Related Party	9	72,145	72,145
Loan Payable	10	14,260,076	12,136,858
		14,570,044	**12,615,072**
Total Liabilities		**14,632,552**	**12,615,072**
Total Equity & Liabilities		**2,443,623**	**3,833,946**

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

Accepted and Confirmed
For ESDS Cloud FZ-LLC

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ESDS CLOUD FZ-LLC
DUBAI - U.A.E
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	01-01-2023 to 31-12-2023 AED	01-01-2022 to 31-12-2022 AED
Sales		2,567,108	2,554,914
Cost of Sales		-	-
Gross profit		**2,567,108**	**2,554,914**
Less: General and Administrative Expenses	11	(5,971,245)	(5,240,444)
Less: Depreciation Expenses	3	(3,672)	-
Add: Other Income		2,006	20,000
Net profit/(loss) for the year/period		**(3,405,803)**	**(2,665,530)**

Statement of Retained Earnings

	31/12/2023 AED	31/12/2022 AED
Opening balance	(8,791,126)	(6,125,596)
Net profit/(loss) for the year/period	(3,405,803)	(2,665,530)
Transfer (to)/from Shareholder's C/A	(2,000)	-
	(12,198,929)	**(8,791,126)**

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

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ESDS CLOUD FZ-LLC
DUBAI - U.A.E
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Retained Earnings	Shareholder's Current Account	Total
	AED	AED	AED	AED
As At 31 December 2021	**10,000**	**(6,125,596)**	**-**	**(6,115,596)**
Net profit (loss) for the year	-	(2,665,530)	-	(2,665,530)
As At 31 December 2022	**10,000**	**(8,791,126)**	**-**	**(8,781,126)**
Net profit (loss) for the year	-	(3,405,803)	-	(3,405,803)
Transfer to/(from) Shareholder's	-	(2,000)	2,000	-
Net movement	-	-	(2,000)	(2,000)
As At 31 December 2023	**10,000**	**(12,198,929)**	**-**	**(12,188,929)**

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ESDS CLOUD FZ-LLC
DUBAI - U.A.E
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	31/12/2023 AED	31/12/2022 AED
Cash flows from operating activities		
Net profit/(loss) for the year/period	(3,405,803)	(2,665,530)
Adjustments for non cash items:		
Depreciation of Fixed assets	3,672	-
Operating profit before changes in working capital	(3,402,131)	(2,665,530)
(Increase) / Decrease in Accounts Receivable	271,430	(389,443)
(Increase) / Decrease in Other Receivables	(245,803)	(129,820)
(Increase) / Decrease in Other Current Assets	2,223	47,152
Increase / (Decrease) in Accounts Payable	(168,246)	(20,970)
Increase / (Decrease) in Related Party Payables	-	2,576
Increase / (Decrease) in Gratuity	62,508	-
Net cash generated from / (used in) operating activities	(3,480,019)	(3,156,035)
Cash flows from investing activities		
Purchase of Fixed assets	(10,473)	-
(Increase) / Decrease in Other Intangible Assets	398,391	(796,782)
(Increase) / Decrease in Intangible Assets	979,333	2,174,506
Net cash flow (used in) investing activities	1,367,251	1,377,724
Cash flows from financing activities		
Increase / (Decrease) in Loan Payable	2,123,218	1,091,407
Net movement in Shareholder's current account	(2,000)	-
Net cash from /(used in) financing activities	2,121,218	1,091,407
Net increase /(decrease) in cash and cash equivalents	8,450	(686,904)
Cash and cash equivalents, beginning of the year	91,120	778,024
Cash and cash equivalents, end of the year/ period	99,570	91,120
Represented by:		
Cash in Hand & at Bank	99,570	91,120
Cash and cash equivalents, end of the year/ period	99,570	91,120

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ESDS CLOUD FZ-LLC
DUBAI - U.A.E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 Legal status and business activities

1.1 M/s. ESDS Cloud FZ-LLC, Dubai - United Arab Emirates was registered in Dubai - U.A.E. as a Free Zone Limited Liability Company, operates under Commercial License No. 96100 , issued by Dubai Development Authority - Dubai, U.A.E., issued on May 29, 2019.

1.2 The company is primarily engaged in the business of providing IT services including consultancy, developer, customer service, supprt service provider, solution provider.

1.3 The registered address of the Entity is Premises No.: EX-17, Ground Floor, Bldg 07-Co Work, Dubai Outsource City, Dubai - United Arab Emirates.

1.4 The management and control are vested with Mr. Piyush Prakashchandra Somani.

1.5 These financial statements incorporate the operating results of the Commercial License No. 96100

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared under accrual basis of accounting and on the basis that the entity will continue as a going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of the Free Zone & U.A.E. Law.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed after significant accounting policies.

2.3 Current/ Non current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realized or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or Expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

It is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2.4 Foreign currency

In preparing the financial statements of the Entity, transactions in currencies other than the Entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise:

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.5 Financial instruments

Financial assets and financial liabilities are recognized when the Entity becomes a party to the contractual provisions of the instrument.

2.6 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", due from related parties", "shareholders' loan" and "loan from related parties" in the statement of financial position. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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FOR THE YEAR ENDED 31 DECEMBER 2023

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost reduced by appropriate allowance for estimated doubtful debts.

2.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognized initially at fair value and subsequently are measured at amortized cost using effective interest method.

2.10 Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2.11 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the establishment and the revenue can be reliably measured. Revenue is reduced for estimated returns, rebate and other similar allowances.

Revenue is from services are recognised in the accounting period in which the services are rendered.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Fixed assets - Net

	Office Laptop	Total
	AED	AED
Cost		
Additions during the year	10,473	10,473
As At 31 December 2023	**10,473**	**10,473**
Depreciation		
Depreciation for the year	3,672	3,672
As At 31 December 2023	**3,672**	**3,672**
Net book value		
As At 31 December 2023	**6,801**	**6,801**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

			31/12/2023 AED	31/12/2022 AED
4	**Other Accounts Receivable**			
	Prepayments, deposits & advances		67,079	90,726
	Advances paid to suppliers		4,303	-
	VAT receivables		970	-
	Unbilled revenue		366,864	102,687
			439,216	**193,413**
5	**Other Current Assets**			
	Non current asset		-	2,223
			-	**2,223**
6	**Cash and Cash Equivalent**			
	Cash on hand and at bank		99,570	91,120
			99,570	**91,120**
7	**Share Capital**			
	Issued, Subscribed and Paid-up Capital	Holding Percentage		
	10 shares of 1,000 AED each			
	ESDS Software Solutions Pvt. Ltd.	100%	10,000	10,000
		100%	**10,000**	**10,000**
8	**Accounts and Other Payables**			
	Trade creditors		203,204	311,650
	Advances received from customers		3,158	3,158
	Accrued expenses		6,000	6,523
	Incentive payable		9,901	39,000
	Other payables		15,560	45,738
			237,823	**406,069**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

		31/12/2023 AED	31/12/2022 AED
9	**Related Party Transactions**		
	The entity in normal course of business enters into transactions with other business entities which fall within the definition of related party as mentioned in the International Accounting standard - 24. Related parties are the entities under common ownership and/or common management control, parent shareholder company and key management personnel.		
	Due to Related Party		
	Loan payable - ESDS Global Software Solutions Inc	72,145	72,145
		72,145	**72,145**
10	**Loan Payable**		
	South Asia Growth Fund II Holdings	14,260,076	12,136,858
		14,260,076	**12,136,858**
11	**General and Administrative Expenses**		
	Salaries & benefits	797,490	2,531,985
	Rent & related expenses	31,439	65,485
	Legal, licenses, prof. & visa fees	1,406,001	801,639
	Communications & utilities	10,792	8,547
	Insurance expenses	1,298	31,698
	Financial & bank charges	2,145,436	901,532
	Travelling & conveyance	132,854	61,453
	Ammortization and depreciation expenses	1,377,724	635
	Balances written off	91	136,987
	Commission expense	-	639,874
	Office expenses	(5,089)	51,423
	Foreign exchange loss	9,818	19
	Withholding tax	53,479	-
	Miscellaneous expenses	9,912	9,167
		5,971,245	**5,240,444**

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DUBAI - U.A.E
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12 Financial Instruments: Risk Management

The principal risks associated with financial instruments such as capital risk, liquidity risk, credit risk and exchange rate risk are managed by placing cash and cash equivalents with various financial institutions of high credit rating, transacting business in AED and USD with counterparties of repute, and by monitoring on a regular basis that sufficient funds are available to meet maturing obligations.

i) Capital risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Company's overall strategy remains unchanged since inception.

The capital structure of the Company comprises of equity funds as presented in the statement of financial position together with partners' current accounts. Debt comprises of total amounts payable to third parties net of cash and cash equivalents. The Company reviews the capital structure on a semi-annual basis, and considers the cost of capital.

ii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining adequate availability of cash and cash equivalents.

iii) Credit risk

Financial assets, which potentially expose the Company to concentrations of credit risk comprise principally of bank accounts, non-current financial assets, trade & other receivables and amounts due from related parties.

The Company's bank accounts are placed with high credit quality financial institutions.

There are no significant concentration of credit risk to debtors outside the industry in which the Company operates.

iv) Exchange rate risk

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

Reasonable changes in exchange rates as on the date of the statement of financial position will not have any significant impact on profit or equity.

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13 Fair value of financial instruments

The Company's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates.

14 Contingent Liabilities

Other than the ongoing business obligations which are under course of business against which no loss is expected, there are no other known contingent liabilities and no confirmation received from the bank.

15 Management Opinion

In the opinion of the management all the assets as shown in the financial statement are existing and releasable at the amount shown against them and there are no liabilities against the company, contingent or otherwise, not included in the above financial statements.

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