

**EXPLEO SOLUTIONS FZE
HAMRIYAH FREE ZONE AUTHORITY
SHARJAH, U.A.E.
FINANCIAL STATEMENTS
24 MARCH 2025**

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**EXPLEO SOLUTIONS FZE
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SHARJAH, U.A.E.
DIRECTOR'S REPORT
24 MARCH 2025**

The director has pleasure in submitting his report and the audited financial statements for the period from 1 April 2024 to 24 March 2025.

Principal Activity

The principal activity of the FZE is IT Consultancy.

Business Operations Review

The FZE has incurred a total comprehensive (expense) of AED (46,981)/- for the period.

Events since the end of the period

Subsequent to the end of the financial period, all the funds are repatriated to the parent company Expleo Solutions Limited on 27th March 2025. The Company received the official letter on 3rd April 2025 for the termination of license to operate FZE w.e.f 24th March 2025 from Hamriyah Free Trade Zone.

Shareholder and his interests

The shareholder as at 24 March 2025 and his interests in the share capital of the FZE as at that date were as follows:

Name	Number of share	AED
M/s Expleo Solutions Limited	600	600,000
	600	600,000

Auditors

The auditors, M/s Nadeem and Umendra Chartered Accountants are appointed to carry out independent audit for the year.

Authorized Signatory
22 April 2025

EXPLEO SOLUTIONS FZE
HAMRIYAH FREE ZONE AUTHORITY
SHARJAH, U.A.E.
STATEMENT OF FINANCIAL POSITION
AS AT 24 MARCH 2025

	Note	24 MARCH 2025 AED	31 MARCH 2024 AED
NON-CURRENT ASSETS			
Fixed assets	4	-	1
		<u>-</u>	<u>1</u>
CURRENT ASSETS			
Other current assets	5	-	995,073
Due from related parties	6	-	4,068,226
Cash and cash equivalents	7	4,469,193	314,758
		<u>4,469,193</u>	<u>5,378,057</u>
TOTAL ASSETS		<u>4,469,193</u>	<u>5,378,058</u>
CURRENT LIABILITIES			
Accounts and other payables	8	-	861,884
		<u>-</u>	<u>861,884</u>
EQUITY FUNDS			
Share capital		600,000	600,000
Retained earnings		3,869,193	3,916,174
		<u>4,469,193</u>	<u>4,516,174</u>
TOTAL CURRENT LIABILITIES AND EQUITY FUNDS		<u>4,469,193</u>	<u>5,378,058</u>

The accounting policies and notes on pages 7 to 12 form an integral part of these financial statements.

The independent auditors' report is set forth on page 2 - 2A.

These financial statements have been approved and signed by the undersigned on 22 April 2025.
For EXPLEO SOLUTIONS FZE

Authorized Signatory

EXPLEO SOLUTIONS FZE
HAMRIYAH FREE ZONE AUTHORITY
SHARJAH, U.A.E.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 APRIL 2024 TO 24 MARCH 2025

		For the period from 1 April 2024 to 24 March 2025 AED	For the year ended 31 March 2024 AED
	Note		
REVENUE	9	161,882	13,085,224
Cost of sales	10	<u>(16,920)</u>	<u>(9,725,647)</u>
GROSS PROFIT		144,962	3,359,577
Administrative expenses	11	<u>(176,785)</u>	<u>(2,813,991)</u>
OPERATING PROFIT		<u>(31,823)</u>	<u>545,586</u>
Financial charges	12	<u>(15,158)</u>	<u>(23,404)</u>
NET PROFIT FOR THE PERIOD / YEAR		<u>(46,981)</u>	<u>522,182</u>
Other comprehensive (loss) / income		-	(97,092)
TOTAL COMPREHENSIVE EXPENSE / INCOME		<u>(46,981)</u>	<u>425,090</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 APRIL 2024 TO 24 MARCH 2025

	Share capital AED	Retained earnings AED	Total AED
As at 1 April 2023	600,000	3,491,084	4,091,084
Profit for the year	-	425,090	425,090
As at 31 March 2024	600,000	3,916,174	4,516,174
Profit for the period	-	(46,981)	(46,981)
As at 24 March 2025	600,000	3,869,193	4,469,193

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STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 APRIL 2024 TO 24 MARCH 2025

	For the period from 1 April 2024 to 24 March 2025 AED	For the year ended 31 March 2024 AED
Note		
Cash flows from operating activities		
(Loss) / Profit for the period / year	(46,981)	425,090
Operating (loss) / profit before changes in operating assets and liabilities	<u>(46,981)</u>	<u>425,090</u>
Decrease / (Increase) in other current assets	995,073	(424,902)
Decrease in due from related parties	4,068,226	726,420
(Decrease) in accounts and other payables	<u>(861,884)</u>	<u>(1,347,696)</u>
	<u>4,201,415</u>	<u>(1,046,178)</u>
Net cash flow (used in) operating activities (A)	<u><u>4,154,434</u></u>	<u><u>(621,088)</u></u>
Net increase / (decrease) in cash and cash equivalents (A)	4,154,435	(621,088)
Cash and cash equivalents at beginning of the year	314,758	935,846
Cash and cash equivalents at end of the year	8 <u><u>4,469,193</u></u>	<u><u>314,758</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2024 TO 24 MARCH 2025

1 LEGAL STATUS AND BUSINESS ACTIVITY

- a) **EXPLEO SOLUTIONS FZE** was registered on 15 June 2010, in Hamriyah Free Zone, Sharjah, United Arab Emirates, as a Free Zone Establishment in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 32 of 2021. The registered address of the FZE is E-LOB - Office No. E2-105F-35, P.O.Box 50989, Hamriyah Free Zone, Sharjah, UAE.
- b) The principal activity of the FZE is IT Consultancy.

2 SHAREHOLDING

The shareholding of the EXPLEO SOLUTIONS FZE is as follows

Name	Number of share	AED
M/s Expleo Solutions Limited	600	600,000
	600	600,000

- 2.1 The authorized and paid up share capital of the EXPLEO SOLUTIONS FZE is AED 600,000/- divided into 600 share of AED 1,000/- each.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards and amendments issued.

Description	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 – Prepayment Features with Negative Compensation	January 1, 2023
Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures	January 1, 2022
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2023
Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement	January 1, 2022
IFRS 17 - Insurance Contracts	January 1, 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

3.2 Impact of standards adopted in 2018

3.2.1 IFRS 15 Revenue from Contract with Customers

The effect of adoption of IFRS 15 on the balance sheet and retained earnings is not material and disclosed where applicable in the Notes to these financial statements.

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3.2.2 IFRS 9 Financial Instruments

The Entity adopted IFRS 9 Financial Instruments from January 1, 2018. The effect of adoption of IFRS 9 on the balance sheet and retained earnings is not material and has been disclosed where applicable in the notes to these financial statements.

3.2.3 IFRS 16 Leases

IFRS 16 was issued in January 2016 and will supersede IAS 17 Leases. It will result in almost all leases being recognized on the balance sheet as the distinction between operating and finance lease is removed for leases. Under the new standard, both an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

The standard is mandatory for financial years commencing on or after January 1, 2019.

a) Basis of preparation

These financial statements are prepared under the break-up basis and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of UAE Commercial Companies Law No. 32 of 2021, as amended.

b) Presentation currency

These financial statements have been expressed in UAE Dirham, which is the functional and domicile currency of the FZE. The figures have been rounded off the nearest 1/- UAE Dirham.

c) Summary of Significant accounting Policies

The significant accounting policies adopted and which have been consistently applied are as follows:

i) Revenue recognition

Revenue from the sale of goods or services in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

ii) Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirham at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the statement of financial position date.

Gains or losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

iii) Provisions

Provisions are recognized when the Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a realizable estimate of the amount of the obligation can be made.

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iv) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated using the straight-line method from the date of acquisition to the estimated useful life.

An assessment of residual values is undertaken at each statement of financial position date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

	<u>% age</u>
Office Equipments	33.33
Computer Equipment	33.33

v) Cash and cash equivalents

Cash and cash equivalents comprise cash and balance in bank current accounts.

vi) Financial instruments

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

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Current and non-current financial assets that have fixed or determinable payments and for which there is no active market, which comprise trade and other receivables and related party receivables, are classified as receivables and stated at cost or, if the impact is material, at amortized cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the statement of comprehensive income.

Current and non-current financial liabilities, which comprise current and non-current bank borrowings, trade and other payables and partners' current account, are measured at cost or, if the impact is material, at amortized cost using the effective interest method.

	Office Equipments	Computer Equipment AED	Total AED
4 FIXED ASSETS			
Cost			
As at 1 April 2024	3,635	23,959	27,594
As at 24 March 2025	3,635	23,959	27,594
Accumulated depreciation			
As at 1 April 2024	3,635	23,959	27,594
Charge for the year	-	-	-
As at 24 March 2025	3,635	23,959	27,594
Net Asset Value on 24 March 2025	-	-	-

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FOR THE PERIOD 1 APRIL 2024 TO 24 MARCH 2025

	24 MARCH 2025 AED	31 MARCH 2024 AED
5 OTHER CURRENT ASSETS		
Advances to suppliers	-	287,000
VAT on Purchase	-	193,010
Prepayments	-	25,081
Advances to staff	-	163,100
Deposits	-	326,882
	<u>-</u>	<u>995,073</u>
	<u>-</u>	<u>995,073</u>
6 RELATED PARTY TRANSACTIONS		
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions.		
For the period ended 24 March 2025, following are the details of related party transactions:		
DUE FROM RELATED PARTIES		
Expleo Solution Limited	-	4,068,226
	<u>-</u>	<u>4,068,226</u>
	<u>-</u>	<u>4,068,226</u>
7 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>4,469,193</u>	314,758
	<u>4,469,193</u>	<u>314,758</u>
	<u>4,469,193</u>	<u>314,758</u>
8 ACCOUNTS AND OTHER PAYABLES		
Account payable	-	78,107
Provisions	-	758,091
Employees expenses payable	-	25,686
	<u>-</u>	<u>861,884</u>
	<u>-</u>	<u>861,884</u>

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FOR THE PERIOD 1 APRIL 2024 TO 24 MARCH 2025

		For the period from 1 April 2024 to 24 March 2025 AED	For the year ended 31 March 2024 AED
9 REVENUE			
Revenue	(Note 9.1)	<u>161,882</u>	<u>13,085,224</u>
		<u>161,882</u>	<u>13,085,224</u>
9.1	Revenue represents invoices raised for services rendered on behalf of Parent Company Expleo Solutions Limited (Formerly known as SQS India BFSI Limited).		
10 COST OF SALES			
Direct expenses		<u>16,920</u>	<u>9,725,647</u>
		<u>16,920</u>	<u>9,725,647</u>
11 ADMINISTRATIVE EXPENSES			
Salaries and benefits		-	2,158,966
Professional fees		85,502	53,474
Communication and Utilities		-	23,477
Business promotion expenses		4,918	286,053
Travelling expenses		21,034	124,233
Rates and Taxes		16,240	5,137
Insurance		2,616	71,893
Exchange loss		141	18,513
Other administrative expenses		<u>46,333</u>	<u>72,245</u>
		<u>176,785</u>	<u>2,813,991</u>
12 FINANCIAL CHARGES			
Bank charges		<u>15,158</u>	<u>23,404</u>
		<u>15,158</u>	<u>23,404</u>
13 FINANCIAL INSTRUMENTS			
The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.			
The primary risks to which the business is exposed comprise credit, currency and liquidity and cash flow interest rate risks.			

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NOTES TO THE FINANCIAL STATEMENTS
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Financial Instruments (Continued.)

Credit risk

Financial assets that potentially expose the FZE to concentrations of credit risk comprise principally bank balances and trade and other receivables.

Credit risk relating to trade receivables is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

The FZE bank account has been closed.

Currency risk

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

14 FAIR VALUE

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortized cost approximates to their carrying values.

15 COMPARATIVE FIGURE

Previous year figures have been reclassified / regrouped wherever necessary to conform to the presentation adopted in these financial statements.

The accounting policies and notes on pages 7 to 12 form an integral part of these financial statements.

The independent auditors' report is set forth on page 2 - 2A.

These financial statements have been approved and signed by the undersigned on 22 April 2025.

For EXPLEO SOLUTIONS FZE

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