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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2026

AND INDEPENDENT AUDITOR'S REPORT

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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

DIRECTOR'S REPORT

The Director have pleasure in presenting the report and the audited seperate separate financial statements of **M/s. ROUTESMS SOLUTIONS FZE** for the year ended March 31, 2026.

PRINCIPAL ACTIVITIES:

The main activities of the Company are information technology cosultancy, internet consultancy and computer software house.

There was no significant change in the nature of activities of the Company during the financial year.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the seperate separate financial statements are given on pages 9 to 20.

FINANCIAL ANALYSIS

The table below summarizes the results of 31st March 2026 and 31st March 2025.

	31-Mar-26	31-Mar-25
Summarized Income Statement	AED	AED
Revenue	98,739,793	130,012,006
Less : Cost of revenue	89,351,449	112,407,193
Gross profit/(loss)	**9,388,344**	**17,604,813**
Other income	46,851,377	27,813,024
Total	**56,239,721**	**45,417,837**
Less:		
General and administrative expenses	20,410,863	21,465,642
Depreciation on property,plant & equipment	130,138	136,675
Finance charges	6,875,480	12,274,312
Exceptional expenses	44,823,217	-
Net profit for the year	**(15,999,977)**	**11,541,208**
Add: Tax credit	5,581,428	(1,061,931)
Net profit after tax	**(10,418,549)**	**10,479,277**
Exceptional income	-	21,962,282
Other comprehensive income /(expenses)	-	-
Total comprehensive income/(loss) for the year	**(10,418,549)**	**32,441,559**
Gross profit %	9.51%	13.54%
Net profit %	-	8.88%
Summarized Balance Sheet		
Non-current assets	190,878,431	186,489,072
Current assets	84,758,037	219,581,759
Less:		
Non- current liabilities	203,901	-
Current liabilities	55,917,101	176,136,816
Total	**219,515,466**	**229,934,015**

DIRECTORS' REPORT (CONTD.)

Summarized Balance Sheet (Contd.)

Equity

Share capital	100,000	100,000
Retained earnings	219,415,466	229,834,015
Total	**219,515,466**	**229,934,015**

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment and their movements are set out in Note no.5 to the seperate separate financial statements.

EVENTS AFTER THE REPORTING PERIOD

In the opinion of the Directors no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

GOING CONCERN

The seperate separate financial statements have been prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future. The Board gives hope and expectations that the Entity has a glorious future ahead of them to continue in operational existence for the foreseeable future.

DIRECTORATE

The current Directorate of the Entity is set out below:

Ms. Harita Gupta

Mr. Rajdipkumar Gupta

Mr. Prakash Advani

Mr. Rajeshwar Singh Gill

Mr. Koen Van Parys

Mr. Sharad Kumar

THE MANAGER

The current manager of the entity as per trade license is Mr. Sandipkumar Chandrakant Gupta.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The applicable requirements, requires the Directors to prepare the seperate separate financial statements for each financial year which gives a true and fair view of the state of affairs of the Entity and of the net profit or loss for the year.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Entity and to enable them to ensure that the seperate separate financial statements comply with relevant Governing Laws.

AUDITORS

M/s. Tamim Chartered Accountants- Member of Allinial Global, United Arab Emirates were the external auditors of the Entity for the year ending 31 March 2026 and the Directors propose their re-appointment for the next year.

On behalf of the Board of Directors

ROUTESMS SOLUTIONS FZE
R.A.K. - U.A.E.

Mr. Rajeshwar Singh Gill
Director
DUBAI - UNITED ARAB EMIRATES
Date : 07th May 2026

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INDEPENDENT AUDITORS' REPORT

THE SHAREHOLDERS
ROUTESMS SOLUTIONS FZE
RAS AL KHAIMAH - UNITED ARAB EMIRATES

Report on the Audit of the seperate separate financial statements

Opinion

We have audited the accompanying seperate separate financial statements of **M/s ROUTESMS SOLUTIONS FZE**, which comprises the statement of financial position as at 31st March 2026 and 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 a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying seperate separate financial statements present fairly, in all material respects, the financial position of the Entity as at 31st March 2026 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

Except for the matters mentioned in emphasis of matter, 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 seperate separate financial statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Entity's seperate separate financial statements in the UAE, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 3.1 of these separate seperate separate financial statements which states that an entity is a parent of its subsidiary shall present consolidated seperate separate financial statements in accordance with IFRS 10 - Consolidated seperate separate financial statements, except if it is a wholly owned subsidiary of another entity and its ultimate parent produces consolidated seperate separate financial statements that are available for public use and comply with IFRS. These separate seperate separate financial statements have been prepared in accordance with IAS 27 - Separate seperate separate financial statements.

We draw attention to note no.10 to the accompanying Statement, which describes a partial arbitration award was rendered in favour of the vendor in an ongoing arbitration between one of the subsidiaries and its vendor. Thereafter, the parties executed a settlement agreement, pursuant to which all outstanding claims were mutually withdrawn.

During the current year, the management has written off the remaining net advance receivable from such vendor amounting to AED 44,823,217 which has been presented as an exceptional item (Note no.22).Our conclusion is not modified in respect of this matter.

Other Information

The Management and Directors are responsible for the other information. The other information comprises Mamagement report which we obtained prior to the date of this auditors' report. The other information does not include the seperate separate financial statements and our auditor's report thereon.

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

In connection with our audit of the seperate separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the seperate separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the seperate separate financial statements

Management is responsible for the preparation and fair presentation of these seperate separate financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines necessary to enable the preparation of seperate separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the seperate separate financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the seperate separate financial statements

Our objectives are to obtain reasonable assurance about whether the seperate separate 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 seperate separate financial

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

* Identify and assess the risks of material misstatement of the seperate separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT ON ROUTESMS SOLUTIONS FZE (CONTD.)

Auditor's Responsibilities for the Audit of the seperate separate financial statements (contd.)

* Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 seperate separate financial statements or, if such disclosure 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 Entity to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the seperate separate financial statements, including the disclosures, and whether the seperate separate financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

i) we have obtained all the information and explanations which we considered necessary for our audit;

ii) the seperate separate financial statements have been prepared and comply, in all material respects, with the applicable provisions of theUAE Federal Decree Law No. (32) of 2021.;

iii) the Entity has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Entity;

v) note no. 7 to the seperate separate financial statements discloses investments held by the company in subsidiaries as at 31 March 2026.

vi) note no. 12 to the seperate separate financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened during the financial year any of the applicable provisions of Ras Al Khaimah Investment Authority or of its Articles of Association which would materially effect its activities or its financial position as at 31st March 2026.

viii) there is no social contributions made during the year.

The engagement partner on the audit resulting in this independent auditor's report is Aisha Al Mazroua

Tamim Chartered Accountants

Member of Allinial Global

تميم محاسبون قانونيون
License # 654777
Dubai - U.A.E.
TAMIM CHARTERED ACCOUNTANTS

Aisha Al Mazroua

Licensed Auditor No. 347

Dubai, United Arab Emirates

07th May 2026

ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2026

	Notes	31 Mar 26 AED	31 Mar 25 AED
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment	6	2,630,947	2,761,085
Investment in subsidiaries	7	183,727,987	183,727,987
Deferred tax asset	8	4,519,497	-
Total non current assets		**190,878,431**	**186,489,072**
CURRENT ASSETS			
Trade receivables	9	40,326,378	70,716,857
Advances, deposits and other assets	10	2,214,457	63,884,182
Cash and bank balances	11	5,292,257	24,212,589
Due from related parties	12-2a	36,924,945	60,768,131
Total current assets		**84,758,037**	**219,581,759**
TOTAL ASSETS		**275,636,468**	**406,070,831**
EQUITY & LIABILITIES			
EQUITY			
Share capital	13	100,000	100,000
Retained earnings	14	219,415,466	229,834,015
Total equity		**219,515,466**	**229,934,015**
LIABILITIES			
NON CURRENT LIABILITIES			
Provision for employees' end of service benefits	15	203,901	-
Total non current liabilities		**203,901**	-
CURRENT LIABILITIES			
Due to related parties	12-2b	44,508,328	146,731,782
Trade and other payables	16	11,408,773	29,405,034
Total current liabilities		**55,917,101**	**176,136,816**
Total liabilities		**56,121,002**	**176,136,816**
TOTAL EQUITY & LIABILITIES		**275,636,468**	**406,070,831**

(Notes on pages 8 to 32 form an integral part of these financial statements)

We approve these Seperate Financial Statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

Mr. Rajeshwar Singh Gill

Director

ROUTESMS SOLUTIONS FZE R.A.K. - U.A.E.

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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	01-Apr-2025 to 31-Mar-2026 AED	01-Apr-2024 to 31-Mar-2025 AED
Revenue	17	98,739,793	130,012,006
Less: Cost of revenue	18	89,351,449	112,407,193
Gross profit/(loss)		**9,388,344**	**17,604,813**
Other income	19	46,851,377	27,813,024
		56,239,721	**45,417,837**
Less:			
General and administrative expenses	20	20,410,863	21,465,642
Depreciation on property,plant & equipment	6	130,138	136,675
Finance charges	21	6,875,480	12,274,312
Exceptional expenses	22.a	44,823,217	-
Total expenses		**72,239,698**	**33,876,629**
Net profit for the year		(15,999,977)	11,541,208
Add: Tax credit		5,581,428	(1,061,931)
Net profit after tax		**(10,418,549)**	**10,479,277**
Exceptional income	22.b	-	21,962,282
Other comprehensive income /(expenses)		-	-
Total comprehensive income/(loss) for the year		**(10,418,549)**	**32,441,559**

(Notes on pages 8 to 32 form an integral part of these financial statements)

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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026

	Share capital	Retained Earnings	Total
	AED	AED	AED
Balance as at 31 March 2024	**100,000**	**197,392,456**	**197,492,456**
Total comprehensive income for the year	-	32,441,559	32,441,559
Balance as at 31 March 2025	**100,000**	**229,834,015**	**229,934,015**
Total comprehensive (loss) for the year	-	(10,418,549)	(10,418,549)
Balance as at 31 March 2026	**100,000**	**219,415,466**	**219,515,466**

(Notes on pages 8 to 32 form an integral part of these financial statements)

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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

SEPARATE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 ST MARCH 2026

	Notes	31-Mar-26 AED	31-Mar-25 AED
Cash flow from operating activities			
Operating (loss)/profit during the year		(10,418,549)	32,441,559
Adjustments for:-			
Deferred tax asset	8	(4,519,497)	-
Depreciation on property,plant & equipments	6	130,138	136,675
Operating cash flows before working capital changes		**(14,807,908)**	**32,578,234**
Working capital changes			
Trade receivables	9	30,390,479	76,798,579
Advances, deposits and other assets	10	61,669,725	18,290,860
Due from related parties	12-2a	23,843,186	1,011,852
Trade and other payables	16	(17,996,261)	(77,867,493)
Due to related parties	12-2b	(102,223,454)	(52,440,202)
Provision for employees' end of service benefits	15	203,901	-
Cash generated (used in) operating activities		**(18,920,332)**	**(1,628,170)**
Net cash flows (used in) operating activities		**(18,920,332)**	**(1,628,170)**
Cash flows from investing activities			
Net cash flows from investing activities			-
Cash flows from financing activities			
Net cash flows from financing activities		-	-
Net decrease in cash and cash equivalents		**(18,920,332)**	**(1,628,170)**
Opening cash and cash equivalents		24,212,589	25,840,759
Closing cash and cash equivalents		**5,292,257**	**24,212,589**

(Notes on pages 8 to 32 form an integral part of these financial statements)

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ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

1 CORPORATE INFORMATION

1.1 **M/s ROUTESMS SOLUTIONS FZE** is a Free Zone Establishment registered with Ras Al Khaimah Investment Authority, Ras Al Khaimah with License No.RAKIA72FZ301136543 issued on 31st January,2013.

1.2 The principal activities of the Entity are information technology cosultancy, internet consultancy and computer software house.

1.3 The Company is located in Ras Al Khaimah Free Zone and the Company's registered office address is Office no B01G25I5, At Al Hulaila Industrial Zone FZ, Ras Al Khaimah, United Arab Emirates.

1.4 The management and control are vested with Sandipkumar Chandrakant Gupta, Manager of the entity, Indian National.

1.5 These separate financial statements incorporate the operating results of the commercial license No. RAKIA72FZ301136543.

2 FINANCIAL YEAR

The separate financial statements covers the reporting period from April 1, 2025 to March 31, 2026, which is the financial year ended on the balance sheet date of March 31, 2026.

3 BASIS OF PREPARATION

3.1 Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and applicable requirements of the UAE Federal Decree Law No. (32) of 2021.

An entity that is a parent of its subsidiary shall present consolidated separate financial statements in accordance with IFRS 10 - Consolidated separate financial statements, except if it is a wholly owned subsidiary of another entity and its ultimate parent produces consolidated separate financial statements that are available for public use and comply with IFRS. These separate separate financial statements have been prepared in accordance with IAS 27 - separate financial statements.

These separate financial statements have been prepared in accordance with the accounting policies specified by the Group for consolidation purposes. Accordingly, they may not be suitable for any other purpose.

3.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial instruments and debt and equity financial assets that have been measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3.3 Functional and presentation currency

These separate financial statements are presented in Arab Emirates Dirham (AED), the Entity's functional and presentation currency and are rounded to the nearest value.

3 BASIS OF PREPARATION (CONTINUED)

3.4 Use of estimates and judgments

The preparation of separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that effect 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 recognised in the period in which the estimates are revised and in any future periods effected.

Significant areas where considerable management judgment is required are disclosed along with accounting policies.

3.5 Going concern

The separate financial statements are prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future.

3.6 Comparative information

* The accounting policies and estimates adopted are consistent with those used in previous financial years.

* Certain comparative figures are regrouped and rearranged wherever necessary to conform to the presentation adopted in these separate financial statements. Such reclassification do not affect previously reported net income or shareholders' equity.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies

The accounting policies applied in the preparation of these separate financial statements are consistent with those applied by the Entity in its annual audited separate financial statements as at and for the year ended 31st March 2025, except to the extent of impact of the 'New and revised IFRSs adopted on these separate financial statements' from 01 April 2025 , as set out in Note 5.

4.2 Foreign currencies

The separate financial statements are presented in United Arab Emirates Dirham (AED), which is the Entity's functional and presentation currency. Transactions in foreign currencies are recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denomination in foreign currencies are converted at the rate of exchange ruling at the date of financial position. The resultant foreign exchange gains and losses are recognized in the statement of profit or loss.

4.3 Fair value measurement

The Entity measures financial instruments at fair value at each financial position date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the separate financial statements at fair value on a recurring basis, the Entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are mentioned in the respective notes.

4.4 Property, plant and equipment

(a) Cost and valuation

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition or construction. Where items of property, plant and equipment are subsequently revalued such revalued property, plant and equipment are carried at revalued amounts less any subsequent depreciation thereon and impairment.

(b) Subsequent costs

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost can be reliably measured.

Cost of repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Depreciation

Depreciation on property, plant and equipment is provided on the written down value method, after considering estimated residual values, at rates determined to allocate the depreciable amount over the estimated useful life of the assets.

Management reviews the residual values and estimated useful lives at the end of each annual reporting period in accordance with IAS 16. Management determined that current year expectations do not differ from previous estimates based on its review.

The rates of depreciation are as below: -

Building	20.00%
Computers and Servers	33.33%
Office equipment	33.33%

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

4.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in-first-out basis. The cost of inventory comprises the cost of purchase and other costs incurred in bringing the inventory to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

4.6 Impairment of non-financial assets

The Entity assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any such indication exists, or when annual impairment testing for an asset is required, the Entity estimates the asset's recoverable amount.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.Financial assets and financial liabilities are recognised in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. With the exception of Trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient, the Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, at transaction costs. Trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Entity's business model or managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way Accounts) are recognized on the Accounts date, i.e., the date that the Entity commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Entity. The Entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on a specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

The Entity's financial assets at amortised cost include bank balances, due from related parties and accounts and other receivables.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Financial assets (Continued)

Financial assets at fair value through OCI (debt instruments)

The Entity measures debt instruments at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.
The Entity does not have such financial assets.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Entity does not have such financial assets.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Entity does not have such financial assets.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 Financial assets (Continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Entity's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and reward of the asset, not transferred control of the asset, the Entity continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Entity has retained.
- Continued involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

Impairment of financial assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

The Entity's financial liabilities includes trade payables & accrued expenses.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Entity has not designated any financial liability as at fair value through profit or loss.

4.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.11 Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.12 Trade receivables

Trade receivables are amounts due from customers for goods 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Trade receivables (Continued)

Trade receivables are stated at the amounts that they are estimated to realize net of allowance for expected credit losses.

Trade receivables are recognized initially at fair value and subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

4.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.14 Due from/to related parties

Amount due from/to related parties are measured at amortised cost.

4.15 Other financial assets

Other financial assets includes advances, deposits & other assets.

4.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade 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 payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

4.17 Other payables

Other payables includes advance from customer and other accrued expenses.

4.18 Value Added Tax (VAT)

Revenue, expenses and assets are recognised at amounts net of value added tax except:

- Where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- Where 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.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 Current And Deferred Tax Expenses

Income tax expense includes both current and deferred taxes. Both current and deferred tax is recognized in profit or loss unless the item to which the tax relates was recognized outside profit or loss being other comprehensive income or equity. The tax associated with such an item is also recognized in other comprehensive income or equity respectively.

Current Taxes

Current tax is the expected tax payable in the taxable income for the year using the rate that is applicable as at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred Taxes

Deferred tax balances are determined by calculating the temporary difference between the carrying amounts of assets and liabilities on the balance sheet and their corresponding amounts for tax purposes. The amount of deferred tax is based on the expected manner or realization and using tax rates that have been enacted or substantively enacted as at balance date and will be applicable when the deferred tax is realized.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available for which the losses can be utilized in the future. This assumption is reviewed each reporting date. Deferred tax assets are reduced to the extent it is no longer probable that the future taxable profits will occur.

Deferred tax assets and liabilities are offset on the balance sheet when they relate to the same taxation authority and the Group has the legal ability and intention to either settle the current tax on a net basis or realize the assets and liabilities in the same period in the future.

4.20 Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date, that is, the amount that the Entity would rationally pay to settle the obligation at the financial position or to transfer it to a third party.

Provisions are reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose which they were originally recognized.

4.21 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.22 Employee's end of service benefits/(Pension fund)

The Entity provides end of services benefits to its employees. The entitlement to those benefits is usually based upon the employees' length of services and the completion of a minimum services period. Employees' end-of service benefits is calculated in accordance with the Federal Labour Law of United Arab Emirates and is shown as long term liabilities. The provision for staff terminal benefits is based on the liability that would arise if the employment of all the employees were to be terminated as of the statement of financial position date.

In accordance with the UAE Federal Law No. (7) of 1999 for pension and social security, the employers are required to contribute 12.5% of the contribution calculation salary of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Entity's contribution is recognized as an expense in the statement of profit or loss and other comprehensive income as incurred.

4.23 Shareholders' accounts

Shareholders' account has been classified as an equity instrument. In judging whether the account is a financial liability or an equity instrument, management has carefully considered the criteria in the Framework for the Preparation and Presentation of separate financial statements and IAS 32 Financial Instruments: Presentation. Management is satisfied that the shareholders account is appropriately classified as an equity instrument.

4.24 Revenue recognition

Revenue from contracts with customers is recognised at a point in time when the Entity satisfies a performance obligation by providing the services to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those services. Revenue arises mainly from the rendering of services by the Entity.

The Entity recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1 **Identify the contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

2 **Identify the performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. The Entity accounts for all distinct goods or services as a separate performance obligation.

3 **Determine the transaction price:** The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

4 **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.

5 **Revenue recognition:** Recognize revenue when (or as) the entity satisfies a performance obligation at a point in time or over a period of time.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.24 Revenue recognition (continued)

The Entity satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs; or
- The Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Entity's performance does not create an asset with an alternative use to the Entity and the Entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Entity is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or in order to determine the appropriate method of recognizing revenue.

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Entity has objective evidence that all criteria for acceptance have been satisfied.

The principal activities of the Entity are information technology cosultancy, internet consultancy and computer software house.

4.25 Other income

Other income is recognized in the period when it is earned.

4.26 Expenditure recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss. For the purpose of presentation of the statement of profit or loss, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Entity's performance.

4.27 Short-term leases and leases of low-value assets

The Entity applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

4 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

4.28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognized in the separate financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferring the control of goods and providing the services to the customer. The management is satisfied that control has been transferred and services have been rendered and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

Business model assessment - classification and measurement of separate financial statements

Classification and measurement of financial assets depends on the results of business model test. The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Key sources of estimation uncertainty

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

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.28 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (Continued)

a. Trade receivables

The Entity applies the simplified approach to measuring expected credit losses to its Trade receivables. The provision rates are based on days past due for groupings of various customer segments that substantially share the same risk characteristics or loss patterns. The provision rates are initially based on the Entity's historical observed default rates and adjusted with current conditions and the Entity's view of economic conditions over the expected lives of the receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Entity's credit risk is primarily attributable to its Trade receivables. The Entity reviews its Trade receivables to assess impairment at regular intervals. In determining whether impairment losses should be reported in the statement of comprehensive income, the Entity makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience and forward-looking estimates, is evidence of a reduction in the recoverability of the cash flows.

b. Due to/from related parties

Expected credit loss (ECL) on amounts due from related parties are measured at an allowance equal to 12-month ECL where the credit risk has not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Entity takes into account quantitative and qualitative reasonable and supportable forward-looking information.

c. Bank balances

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Entity considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. While bank balances are also subject to impairment, the identified impairment loss is considered immaterial.

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.28 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment

A decline in the value of property, plant and equipment and investment properties could have a significant effect on the amounts recognised in the separate financial statements. The management assesses the impairment of property, plant and equipment and investment properties whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

5 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

5.1 New and amended standards – applicable from January 1, 2025

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 1, 2025:

Description	Effective for annual periods beginning on or after
IFRS 16 (Amendments – Lease Liability in a Sale and Leaseback)	January 1, 2025
IAS 12 (Amendments – Deferred Tax related to Pillar Two Rules)	January 1, 2025
IFRS 7 & IFRS 9 (Amendments – Supplier Finance Arrangements)	January 1, 2025
IAS 21 (Amendments – Lack of Exchangeability)	January 1, 2025
IFRS 10 & IAS 28 (Sale or Contribution of Assets between an Investor and Associate or JV)	January 1, 2025
IFRS 18 Presentation and Disclosure	January 1, 2027

These amendments had no significant impact on the separate financial statements of the Entity.

New standards and amendments issued but not effective for the current annual period

Description	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7: Classification and	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18 Presentation and Disclosure in the separate financial	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 9/IFRS 7: Contracts Referencing	January 1, 2027

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

ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

6 PROPERTY, PLANT & EQUIPMENT

	Building	Computer & Servers	Office Equipment	Total
	AED	AED	AED	AED
Cost				
Balance as at 31 March 2024	**3,941,400**	**744,739**	**28,309**	**4,714,448**
Additions during the year	-	-	-	-
Balance as at 31 March 2025	**3,941,400**	**744,739**	**28,309**	**4,714,448**
Additions during the year	-	-	-	-
Balance as at 31 March 2026	**3,941,400**	**744,739**	**28,309**	**4,714,448**
Accumulated Depreciation				
Balance as at 31 March 2024	**1,072,120**	**716,429**	**28,139**	**1,816,688**
Charged for the year	136,646	29	-	136,675
Balance as at 31 March 2025	**1,208,766**	**716,458**	**28,139**	**1,953,363**
Charged for the year	130,138	-	-	130,138
Balance as at 31 March 2026	**1,338,904**	**716,458**	**28,139**	**2,083,501**
Net Book Value				
Balance as at 31 March 2026	**2,602,496**	**28,281**	**170**	**2,630,947**
Balance as at 31 March 2025	**2,732,634**	**28,281**	**170**	**2,761,085**

In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31st March 2026.

ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

NOTES TO THE SEPARATE FINANACIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

7 INVESTMENT IN SUBSIDIARIES

	31-Mar-26	31-Mar-25
	AED	AED
M/s. Route Mobile Communications Services*	8,042,982	8,042,982
M/s. MR Messaging FZE**	175,538,005	175,538,005
M/s.Route Mobile LLC,Dubai***	147,000	147,000
	183,727,987	**183,727,987**

*This represents acquisition of 49% stake in Route Mobile Communication Services on November 30, 2021. (Out of 51% held Local partner, 41%of economic and beneficial interest available to Routesms Solutions FZE (including profits, dividends,voting and distribution) pursuant to pledge of agreement,dividend assignment agreement,loan agreement & option agreement).

**This represents acquistion of 100% stake in MR Messaging FZE for an equity value of 38 million Euros. However, this amount include additional earnout consideration of 4.7 million Euro based on the future performance commitment by the seller as mentioned in SPA.

**This represents acquistion of 49% shares in M/s. Route Mobile LLC.

8 DEFERRED TAX ASSET

	31-Mar-26	31-Mar-25
	AED	AED
Deferred tax asset	4,519,497	-
	4,519,497	-

9 TRADE RECEIVABLES

	31-Mar-26	31-Mar-25
	AED	AED
Trade receivables	40,326,378	70,716,857
	40,326,378	**70,716,857**

* Trade receivable include related parties balances as below:	31-Mar-26	31-Mar-25
	AED	AED
Route Mobile (UK) Limited	30,239,725	60,464,384
Route Mobile INC.	3,759,205	2,168,222
Route Mobile PTE LTD	970,080	2,053,704
Route Mobile Limited	371,029	430,133
Route Mobile (Bangladesh) Limited	297,585	151,965
Route Mobile LLC	196,183	73,614
Route Mobile Malta Limited	171,607	190,347
Send Clean Private Limited	5,090	9,590
Route Mobile Lanka (Private) Limited	3,615	3,415
Send Clean INC	3,076	15,299
Routesms Solutions Nigeria Limited	-	95,627
	36,017,194	**65,656,300**

TAMIM

9 TRADE RECEIVABLES (CONTD.)

In determining the recoverability of trade receivables, the Entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that the receivables are good and realizable there is no further credit allowance required.

Trade receivables are stated net of any required provision and are short term in nature, fair value approximates carrying value.

9.1 Average credit period

The average credit period for the accounts receivable is 30 days (2025: 30 days). Allowances are based on the estimated irrecoverable amounts determined by reference to past default experience.

9.2 Of the trade receivable as at March 31, 2025, there are 7 customers (2025: 8 customers) which represent 93.98 % (2025: 92.95 %) of the total receivables.

9.3 Ageing of trade receivable

	31-Mar-26	31-Mar-25
	AED	AED
1 - 30 days	11,819,597	15,264,524
31 and above	28,506,781	55,452,333
	40,326,378	**70,716,857**

9.4 Geographical analysis:

The geographical analysis of accounts receivable are as follows:	31-Mar-26	31-Mar-25
	AED	AED
Within U.A.E.	234,751	160,228
Outside U.A.E.	40,091,627	70,556,629
	40,326,378	**70,716,857**

10 ADVANCES, DEPOSITS AND OTHER ASSETS

	31-Mar-26	31-Mar-25
	AED	AED
VAT refund	2,137,165	1,930,560
Other receivables	51,475	2,840
Prepayments	20,176	1,474,101
Advance to suppliers	5,641	60,476,681
	2,214,457	**63,884,182**

TAMIM

10 ADVANCES, DEPOSITS AND OTHER ASSETS (CONTD.)

The Company had entered into an agreement in an earlier year to purchase minimum guaranteed SMS volume from a vendor and paid an amount of AED 87258,600 as advance in respect of the committed volume for first two years. As at 31 March 2024, the management had evaluated the contract to be onerous as stipulated under IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and had accordingly recorded a provision of AED 11,778,298 in this respect towards doubtful recovery of the advance. Further, owing to significant adverse market conditions, the management had re-estimated a significantly lower volume of business to be generated from the said contract over the remaining extended contract period and had invoked their rights under the contract to re-negotiate the terms of the contract for the balance net advance vide a letter dated 14 November 2024 which, however, did not materialize and on 24 March 2025, the management had invoked arbitration proceedings against the vendor for good faith negotiations and revisions of the SMS volume and revenue commitments and breach by the vendor of its certain obligations as per the terms of the agreement. Subsequently, on 7 April 2025, the vendor had also filed a counter claim against the Company alleging violation of certain terms of the agreement without providing any basis or calculation for the counter claims.

During the quarter from July to September, the vendor terminated the agreement after additional negotiations failed. An arbitration hearing was held in September 2025 regarding the vendor's preliminary application with respect to management's claim. Based on the discussions held at that hearing and cessation of the services, the management, in consultation with their legal counsel, wrote off the remaining net advance of AED 44,823,217 as of 30 September 2025 and presented as an exceptional item in the financial results.
During the quarter from October to November, the Company received a partial award on 18 November 2025 from the Singapore International Arbitration Centre. The said order adversely affects the Company's claim as it states that minimum committed volumes are not subject to adjustment throughout the commitment period and relieves the vendor of any obligation to refund prepayments made within the first two years. Post the quarter end, both the parties are in advanced stages of entering into a settlement agreement to drop all claims under the Master Agreement.

11 CASH AND BANK BALANCES

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

	31-Mar-26	31-Mar-25
	AED	AED
Cash at bank	5,292,257	24,212,589
	5,292,257	**24,212,589**

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by rating agencies has been assessed as low.

12 RELATED PARTY TRANSANCTIONS

12.1 Identity of related parties

Related parties represent associated companies, shareholders, directors, and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

12 RELATED PARTY TRANSANCTIONS (CONTD.)

12.2 Balances

Balances with related parties at the reporting date are as shown below:

a) DUE FROM RELATED PARTIES	Relationship	31-Mar-26	31-Mar-25
		AED	AED
M/s. Route Mobile UK Limited*	Common control	36,924,945	60,764,505
M/s. Route Mobile (Bangladesh) Limited	Subsidiary	-	3,626
		36,924,945	**60,768,131**

*Amount advanced to M/s.Route Mobile(UK) Limited bears interest @ 4.15% P.A.

The above amounts represent the net receivable from related parties whih neither bear any interest nor has any definite repayment schedule.

b) DUE TO RELATED PARTIES	Relationship	31-Mar-26	31-Mar-25
		AED	AED
M/s. Route Mobile Limited,India*	Holding company	30,510,331	133,505,971
M/s. MR Messaging Limited, India	Subsidiary	13,997,997	13,225,811
		44,508,328	**146,731,782**

*Amount advanced from M/s. Route Mobile Limited,India bears interest @ 5.86% & 7.75% P.A.

The above amounts represent the net payable to related parties whih neither bear any interest nor has any definite repayment schedule.

c) RELATED PARTY TRANSACTIONS SUMMARY	Note No.	31-Mar-26	31-Mar-25
		AED	AED
Service Revenue	17	44,278,984	61,437,360
Cost of service	18	45,759,944	56,704,878
Dividend received	19	31,387,198	14,471,421
Interest received	19	1,867,947	2,209,415
Management & administration fees	20	3,384,860	3,617,937
Interest paid	21	6,875,480	11,686,273

d) KEY MANAGEMENT PERSONNEL COMPENSATION	Note No.	31-Mar-26	31-Mar-25
		AED	AED
Managerial remuneration	20	-	**73,500**

13 SHARE CAPITAL

The share capital of the Company is AED 100,000 (One hundred thousand only), divided into 100 (One hundred only) shares, the value of one share being AED 1000 (One thousand only).

Name of Shareholder	No. of Shares	Value of share	Total Value (AED)
M/s. Route Mobile Limited	100	1000	100,000
	100	**1000**	**100,000**

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14 RETAINED EARNINGS

	31-Mar-26	31-Mar-25
	AED	AED
Balance at the beginning of the year	229,834,015	197,392,456
Add: Total comprehensive income/(loss) for the year	(10,418,549)	32,441,559
Balance at the end of the year	**219,415,466**	**229,834,015**

15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31-Mar-26	31-Mar-25
	AED	AED
Add: Charged during the year	203,901	-
Balance at the end of the year	**203,901**	**-**

16 TRADE AND OTHER PAYABLES

	31-Mar-26	31-Mar-25
	AED	AED
Trade payables*	8,961,542	10,769,870
Other payables	1,287,449	4,712,262
Accrued expenses*	880,392	1,014,595
Advance from customer*	279,390	68,078
Onerous Contract Provision	-	11,778,298
	11,408,773	**29,405,034**

* Trade & other payables include related parties balances as below:	31-Mar-26	31-Mar-25
	AED	AED
M/s. Route Mobile (UK) Limited	2,262,123	5,851,484
M/s. Route Mobile Limited	722,458	971,715
M/s. Routesms Solutions Nigeria Limited	824,079	778,619
M/s. Route Mobile Malta Limited	198,382	430,351
M/s. Route Mobile LLC	689,508	70,603
M/s. Route Mobile Nepal Private Limited	21,036	19,876
M/s. Route Mobile (Ghana) Limited	398	1,136
	4,717,984	**8,123,784**

*Advance from customers include related parties balances as below:	31-Mar-26	31-Mar-25
	AED	AED
M/s. Routesms Solutions Nigeria Limited	217,726	-
	217,726	**-**

17 REVENUE

	01-Apr-2025 to 31-Mar-2026	01-Apr-2024 to 31-Mar-2025
	AED	AED
Service Revenue	**98,739,793**	**130,012,006**

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18 COST OF REVENUE

	01-Apr-2025 to 31-Mar-2026	01-Apr-2024 to 31-Mar-2025
	AED	AED
Cost of service	**89,351,449**	**112,407,193**

19 OTHER INCOME

	01-Apr-2025 to 31-Mar-2026	01-Apr-2024 to 31-Mar-2025
	AED	AED
Dividend received	31,387,198	14,471,421
Foreign exchange gain	13,592,380	11,132,188
Interest received	1,867,947	2,209,415
Other income	3,852	-
	46,851,377	**27,813,024**

20 GENERAL & ADMINISTRATIVE EXPENSES

	01-Apr-2025 to 31-Mar-2026	01-Apr-2024 to 31-Mar-2025
	AED	AED
Salaries & allowances	522,137	194,000
Foreign exchange loss	14,225,547	16,056,408
Management & administration fees	3,384,860	3,617,937
Legal & professional charges	2,067,182	1,151,055
Software expenses	120,694	203,824
Bank charges	44,348	29,802
Bad debts	26,309	121,460
Visa expenses	17,700	9,729
Office expenses	2,086	7,927
Managerial remuneration	-	73,500
	20,410,863	**21,465,642**

21 FINANCE CHARGES

	01-Apr-2025 to 31-Mar-2026	01-Apr-2024 to 31-Mar-2025
	AED	AED
Interest on other loans	6,875,480	11,686,273
Unwinding cost	-	588,039
	6,875,480	**12,274,312**

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22 EXCEPTIONAL EXPENSES/INCOME

22.a Exceptional expense

Exceptional expense represents the net amount of AED 44,823,217 arising from advances to a supplier, M/s. Atom Myanmar Limited, written off during the year, net of the onerous provision previously recognized against such gross advances.

22.b Exceptional income

Exceptional income represents an amount of AED 21,962,282 written off in relation to payments made on behalf of shareholders for the acquisition of a subsidiary. Such costs are capital in nature and have been treated in accordance with IFRS 3 (Business Combinations).

23 FINANCIAL INSTRUMENTS

23.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	31-Mar-26	31-Mar-25
	AED	AED
Financial Assets		
Trade receivables	40,326,378	70,716,857
Advances, deposits and other assets	2,188,640	1,933,400
Cash at bank	5,292,257	24,212,589
Due from related parties	36,924,945	60,768,131
	84,732,220	**157,630,977**
Financial Liabilities		
Trade and other payables	10,248,991	16,544,063
Due to related parties	44,508,328	146,731,782
	54,757,319	**163,275,845**

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets comprise bank balances, accounts receivables, due from related parties, and certain other assets. Financial liabilities comprise accounts & other payables & due to related parties.

As of reporting date, financial assets and financial liabilities are approximate to their carrying values.

23.2 CAPITAL RISK MANAGEMENT

The Entity manages its capital on a basis that it will be able to continue as a going concern while maximising the return to the shareholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year. The capital structure of the Entity comprise issued capital, statutory reserve, shareholder's current account, and accumulated losses, as disclosed in the separate financial statements.

The Entity monitors capital based on the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as trade and other payables, less cash and cash equivalents. Total capital is equivalent to shareholder equity as shown in the statement of financial position.

23.3 FINANCIAL RISK MANAGEMENT

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis.

a) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Entity, and arises principally from the Entity's trade and other receivables and bank balances.

The Entity has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be low. The Entity attempts to control credit risk by monitoring credit exposures, setting credit limits for non-related counterparties and monitoring outstanding receivables.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

b) Liquidity Risk

Liquidity risk is the risk that the Entity will be unable to meet its funding requirements. The Entity limits its liquidity risk by ensuring adequate cash from operations and availability of bank facilities.

The table below summarises the maturities of the Entity's undiscounted financial liabilities as at 31 March 2026 and 31 March 2025 based on the contractual payment dates.

	Carrying value	Less than 1 year	More than 1 year
31-Mar-26	AED	AED	AED
Non-derivative financial liabilities			
Trade and other payables	10,248,991	10,248,991	-
Due to related parties	44,508,328	44,508,328	-
	54,757,319	**54,757,319**	-
31-Mar-25			
Non-derivative financial liabilities			
Trade and other payables	16,544,063	16,544,063	-
Due to related parties	146,731,782	146,731,782	-
	163,275,845	**163,275,845**	-

c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at the reporting date, there is no significant interest rate risk as there are no variable interest bearing borrowings at year end.

d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Entity is not exposed to currency risk as all the assets and liabilities are denominated in the reporting currency AED.

24 CONTIGENT LIABILITIES

A contigent liability is a possible obligation arising from past events whose existence will be confirmed only by uncertain future events within the Entity's control.

The Entity does not recognize the contigent liabilities in the separate financial statements but discloses those where a material outfloe of resources is probable or reasonably possible. Except for the ongoing business obligations which are under normal course of business, there has been no other known contigent liability on Entity's separate financial statements as of reporting date.

25 CONTIGENT LIABILITIES

A contigent liability is a possible obligation arising from past events whose existence will be confirmed only by uncertain future events within the Entity's control.

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26 EVENTS AFTER THE REPORTING PERIOD

In the opinion of the Chairman, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

27 APPROVAL OF SEPARATE FINANCIAL STATEMENTS

The separate financial statements were approved by management and authorized for issue on 7th May 2026

Mr. Rajeshwar Singh Gill

Director

ROUTESMS SOLUTIONS FZE
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